

Iraqis Holding a Key Town Despite Claims by Iranians

**U.S. Is Prepared
To Sell Reserve Oil**

By Joseph Fitchett

International Herald Tribune

PARIS — The Reagan administration would open the U.S. Strategic Petroleum Reserve and promptly start selling substantial quantities of oil if supplies from the Gulf were cut off, a U.S. Energy Department official disclosed Thursday.

This policy clarification, made in telephone interview from Washington, comes after weeks of uncertainty about whether the Reagan administration would react quickly enough to forestall panic buying in crisis.

Sources in the International Energy Agency, the Paris-based body that monitors world petroleum developments, said the clarification could reinforce confidence in oil markets and among Western governments that oil prices would not shoot up even if Iran attempts to lose the Strait of Hormuz.

"In contrast to 1979, when upheaval in Iran caused an oil-price shock, the market situation and perceptions of the market have changed drastically, and nobody dares in the oil companies or even among the oil exporters sees any interest" in another sharp price increase, an IEA official said.

Figures compiled by the IEA show that closure of the Strait of Hormuz would deprive the non-Communist countries of about eight million barrels a day — slightly more than one-fifth of current daily consumption.

But this shortage, the IEA concluded, could be largely made up with extra production from non-Gulf nations, from stocks held by Saudi Arabia on tankers outside the Gulf, from oil company inventories and from government reserves in the United States, West Germany and Japan. Industrial countries' oil reserves are at an all-time high — nearly three months at current consumption rates.

Some oil analysts have warned that non-Gulf members of the Organization of Petroleum Exporting Countries might try to profit from a squeeze to drive up prices. The IEA view, however, is that oil-exporting nations, worried about a long-term trend toward decreasing oil consumption, would avoid causing another leap in prices.

In contrast to the jittery market in previous crises, the IEA official said, "oil traders have discounted the risk of another dramatic upheaval, because of the changed economics and because everyone is convinced that any crisis would be short-lived" because of Western



determination to keep open the Gulf.

Prices on the spot oil market, a sensitive barometer of expectations in the oil industry, have scarcely moved. The IEA official said this was a reflection of the market's confidence that Western governments are prepared to cope with any foreseeable trouble in the oil market.

A key factor in this more confident mood, he said, is that the Reagan administration has developed better tactics for providing psychological reassurance in time to prevent speculators bidding up oil prices at the outbreak of a crisis.

Poor and belated responses by Western governments have been widely blamed for aggravating the oil crises in 1973 and 1979.

The Energy Department official, confirming the change in Reagan administration tactics, said: "There has been a gradual shift over the last year in the way people perceive the Strategic Petroleum Reserve."

Energy Secretary Donald P. Hodel "will push oil into the market fast if possible in an emergency," he said.

The official asked not to be identified by name because statements on Western preparations for a Gulf cutoff are normally reserved for the senior official in each department.

The issue became more sensitive last year after an exercise at the CIA that sought to simulate the effects of an Iranian blockade. The study showed U.S. oil prices rising to nearly \$100 a barrel and grave political tensions arising between the United States, which has large domestic supplies, and West European nations, which are short of indigenous energy supplies.

The findings were leaked, and (Continued on Page 2, Col. 3)

Captured Soldiers Put on Parade

Reuters

AL-QURNNAH, Iraq — The strategic southern Iraqi town of al-Qurnah, which Iran said its forces had captured in a new Gulf war offensive Thursday, was firmly in Iraqi hands Thursday evening when news correspondents arrived.

There was no sign of Iranian forces in the vicinity, except about 350 captives from the day's fighting.

Local officials said that residents had helped troops repulse an Iranian attack earlier in the day but that the closest the Iranians had got to al-Qurnah was 20 kilometers (seven miles).

In Washington, the State Department said Thursday that there was no evidence that battle lines in the Iran-Iraq war had changed.

John A. Hughes, the State Department spokesman, said that while there had been heavy fighting, "as far as we are aware there is no evidence that the lines of battle have changed significantly in the last several days."

Al-Qurnah is strategically situated on the main highway between Baghdad and the Iraqi port of Basra and at the confluence of the Tigris and Euphrates rivers. Here, the two rivers join to become the Shatt al-Arab waterway, which flows into the headwaters of the Gulf.

The local officials said more than 1,500 Iranian Army troops and Revolutionary Guards had been killed and 350 taken captive by Iraqi forces defending the town, which included many paramilitary forces as well as armed peasants.

The captured Iranians were later paraded through the streets of al-Qurnah.

The officials, including the town's governor and a representative of the ruling Arab Ba'th Socialist Party, said the Iranians had crossed the Howeza marshlands in the 30-kilometer stretch between the Iranian border and al-Qurnah.

The Iraqi forces encircled the town, repulsed them and repulsed them Thursday.

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ARMORED PATROL — Israeli armored personnel carriers drive through a Lebanese town north of their principal line of defense on the Awali River. The Israelis have been sending patrols north to assure that Palestinian guerrillas do not return to the area. Page 2.

Reagan, Defending Lebanon Policy, Declares U.S. Is Not 'Bugging Out'

By Jack Nelson

Los Angeles Times Service

WASHINGTON — President Ronald Reagan, defending his decision to withdraw marines from Lebanon, says that the United States is not "bugging out" and that "we're just going into a little more defensible position."

Mr. Reagan said Wednesday that he had "no regrets" about having ordered the troops into Lebanon as part of a multinational peacekeeping force. He said he would order them back in if that would help achieve their original peace mission.

Mr. Reagan, holding his first formal press conference in two months, was grim-faced as he answered several questions about the U.S. role in Lebanon, the cost in American lives, and the prospects for the future now that the government of Amin Gemayel has suffered devastating setbacks.

Asked whether the United States had lost credibility in Lebanon in view of its inability to achieve the withdrawal of all foreign forces there, Mr. Reagan answered: "No. I don't think, first of all, that you can say we have lost as yet."

He added, "I know that things don't look bright, as bright as they have at some times in this last year and a half since they've been there."

Continuing with a long reply, the president outlined the background of the crisis in Lebanon and said marines were being "redeployed" to naval vessels off the coast, "because once the terrorist attacks started, there was no way that we could really contribute to the original mission by staying there as a target, just hunkering down and waiting for further attacks."

Reminded of earlier declarations that he would not permit the United States to "cut and run" in Lebanon in the face of terrorist threats, Mr. Reagan held firmly to his position that withdrawing marines from Beirut and stationing them on navy ships offshore was only a matter of redeploying them to safer quarters.

"Those who make decisions won't see it as cutting and running," the president said. He said that the U.S. naval task force would remain off Beirut.

When asked about U.S. policy

pacts that relations with Moscow would improve.

He called Vice President George Bush's brief meeting with Mr. Chernenko at the funeral of President Yuri V. Andropov "very fruitful."

"We're flying reconnaissance flights, and there have been some instances of firing upon them — without result. I'm pleased to say — and we have not responded," he said.

The most recent shelling into Lebanon by U.S. warships were carried out in response to firing upon the U.S. Embassy in Beirut.

Mr. Reagan said, adding, "Now that's the way we could allow that channel to be closed."

On the Israeli-Arab conflict, he repeated his view that in any peace agreement Israel would have to give up occupied Arab lands in order to secure peaceful borders.

He again called Jewish settlements on Palestinian lands on the West Bank "not helpful" to the peace process but said he had "never referred to them as illegal."

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In South Lebanon, Sour Ties With Amal Block Israeli Policy

By Edward Walsh
Washington Post Service

SIDON, Lebanon — As Israel tries to achieve its goal of securing its northern border, Lebanon's Shiite Moslem militia, Amal, is now the force it has to reckon with.

In Beirut, Amal and its Druze allies have dealt a series of severe setbacks to the Lebanese Army and the government of President Amin Gemayel. In southern Lebanon, Amal, headed by Nabih Berri, is a potent political force that has become deeply estranged from the occupying Israeli Army.

As a result, the Israelis appear no closer than ever to achieving their announced goal of turning over security tasks to local militias because the one organization with the potential to take on the job is in no mood to cooperate with Israel.

"Under no circumstances will Amal take on a security role with the Israelis or while there is an Israeli presence in southern Lebanon," said Ibrahim Ghaddar, a member of a prominent Shiite family that is part of Amal's leadership in southern Lebanon.

The rise of Amal has been accompanied by a general stirring of religious fervor among the Shites of southern Lebanon, the largest single religious group in the area and historically the most underprivileged segment of Lebanese society.

There has been a reversal of roles since the days immediately after Israel's invasion of Lebanon in June 1982, when it was Lebanon's Christian community that was riding high.

Besides the Israeli Army, the most obvious military force in the south is the militia that was headed by Major Saad Haddad, Israel's longtime Christian ally, who died last month. But Shiite leaders dismiss the



Nabih Berri

force as an arm of the Israeli Army, totally dependent on its sponsors, that will be forced to evacuate any areas that the Israelis decide to leave.

Israeli Jets Again Hit Positions in Mountains

Reuters

BEIRUT — Israeli jets bombed positions in the Lebanese mountains again Thursday.

In their third air strike since Sunday, Israeli planes attacked targets that the Israeli Army called "terrorist bases" near Bhamdoun, about 12 miles (20 kilometers) southeast of the capital on the Beirut-Damascus highway.

Israel said the attacks hit two guerrilla headquarters and an artillery emplacement.

Meanwhile, in Beirut, Lebanese Army troops began patrolling West Beirut under an agreement with Moslem militias controlling the area. The leader of Lebanon's most powerful Christian militia said that attempt to rebuild the country had failed and that Lebanon should be divided into areas run by different religious groups.

In Damascus, the official Syrian news agency said the Israeli air raids Thursday caused several civilian casualties before the four planes were forced to flee by anti-aircraft defenses.

Bhamdoun and much of the mountainous area around it are controlled by Syrian-backed Druze Moslem fighters who, with their

Shite allies, have scored major victories over the Lebanese Army this month.

Israel is worried that Palestinian guerrillas operating behind rebel lines have taken advantage of the gains to infiltrate Beirut and positions close to Israeli forces occupying southern Lebanon. Druze and Shiite leaders deny this.

A pro-Syrian Palestinian guerrilla leader, Sayed Abu Musa, said in an interview published Thursday that Palestinians had no intention of re-establishing an armed presence in Beirut.

The Communist daily newspaper An-Nida quoted the guerrilla leader as saying the Palestinians were "relying on a political strategy completely different from before."

"We Palestinians have no ambitions to return to Beirut armed," he was quoted as saying.

Lebanese Army troops based in West Beirut emerged Thursday after more than two weeks in their barracks to patrol the streets under an agreement with the rebel militia.

The units were from the mainly Moslem sixth brigade, commanded by a Shiite colonel.

Most of the brigade has refused to fight since gunmen led by the Shiite group Amal took control of the western sector of Beirut on Feb. 6 in battles with the army.

Under an agreement arranged by the Amal leader, Nabih Berri, the sixth brigade's duties now include policing the key airport road. The soldiers are due to take over the airport itself when U.S. Marines withdraw over the next few days.

Loyalist army sources said the military command approved of the sixth brigade deployment but added that it was being directed by its commanding officer, not the Defense Ministry.

Fadi Frem, the leader of the country's most powerful Christian militia, the Lebanese Forces, said that President Amin Gemayel had failed in his attempt to rebuild Lebanon according to the power-sharing formula accepted by Christians and Moslems in 1943.

He said he believed in an agreement "giving each community the freedom to have the way of life they want in their areas, the freedom to give their children the education they want, even to have their own security system in their areas."

■ New U.S. Chain of Command

Richard Halloran of The New York Times reported from Washington:

The Defense Department has established a new military command in Lebanon on a much shorter leash from Washington in an effort to give the authorities in Washington tighter control over operations, Pentagon officials said Thursday.

The new chain of command cuts out three layers of military bureaucracy.

Pentagon officials said Secretary of Defense Caspar W. Weinberger and the chairman of the Joint Chiefs of Staff, General John W. Vessey Jr., had found the former chain of command cumbersome and slow to respond.

The new chain of command runs from Mr. Weinberger through General Vessey to the United States European Command headquarters in Stuttgart, West Germany, and then directly to the new command, called the Joint Task Force Lebanon, in Beirut.



3 Officials Dismissed In Punjab

Reuters

NEW DELHI — Prime Minister Indira Gandhi dismissed three senior officials in the state of Punjab on Thursday amid sectarian violence that has caused at least 25 deaths since Tuesday.

The Press Trust of India, a news agency, quoted official sources as saying the director-general of police and two advisers to the state governor were dismissed. One of the advisers was in charge of Punjab interior affairs.

The changes appeared to indicate growing concern in the national government over increasing Hindu-Sikh tension in the territory bordering Pakistan. The state was placed under direct central rule

Wednesday night, 18-1, in favor of the text to regulate repayment. The officials said the assembly would probably agree to the formula at its regular session March 12, in time for approval at a meeting of European Community foreign ministers here March 12 and 13.

The European Parliament voted to agree on reforms in community finances. Progress on reform must be made at a conference of EC leaders in March before the rebate, made, sources at the Parliament said.

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Reagan Says Democrats in House 'Begged Away' from Reducing Deficit

By Francis X. Clines
New York Times Service

WASHINGTON — President Ronald Reagan has accused House Democrats of having "begged off" from his call for bipartisan steps to reduce the federal deficit.

"If we don't act soon we'll lose other year to fruitless political stalling and legislative stalemate," he said Wednesday at a televised news conference.

In his most direct attack on the Democrats in his month-old re-election campaign, the president used the House of Representatives, which is controlled by Democrats, of "dragging its feet" on the minus crime bill passed with the Republican-controlled Senate.

In a third initiative, Mr. Reagan led on Congress to approve a constitutional amendment that would supersede the Supreme Court ban on government-sponced prayer in public schools.

The president rebuffed charges Walter F. Mondale, the leading candidate for the Democratic nomination, that he engages in government by amnesia.

"Presidents don't take vacations," Mr. Reagan said, defending breaks in California. "They just change scenery."

Many of the questions at the news conference concerned what Mr. Reagan's critics see as the failure of his policy in Lebanon, but the president chose to emphasize domestic issues.

White House political strategists say public-opinion polls show the deficit, crime and school prayer as top concerns among voters, with Congress likely to take the brunt of blame for the deficit.

Mr. Reagan, who promised in his 80 presidential campaign to have a federal budget in balance this year, clearly sought to blame the Democrats for the \$18-billion deficit projected for fiscal year 84, which ends Sept. 30.

"It's ironic that those who demanded negotiations have been so 'lascivious,'" he said, referring to the far fruitless bipartisan sessions in congressional negotiations.

Mr. Reagan added that at the next session Thursday, the administration would respond to the Democrats' demand for cutbacks in military spending as part of a deficit-reduction package.

The president proposed bipartisan talks last month as the way to isolate a \$100-billion "down payment" over three years to deal with federal deficits.

Mr. Reagan came down hard Wednesday against proposals to raise taxes to close the deficit, raising taxes creates more government spending," he said, echoing what has become a refrain in his impromptu speeches.

He added he would have to study Democratic proposals for military savings carefully to see "what they would do to national security" and the "window of vulnerability" he considers to have been narrowed.

Discussing the economy and the existence of high interest rates,

Mr. Reagan contended that the fi-

nancial community was "not quite convinced yet" that inflation would remain low because inflation had accelerated in earlier recoveries from recession. "We're determined to stay the course," he said, predicting the rates would decline.

Earlier Wednesday, the speaker of the House, Thomas P. O'Neill Jr., accused the president of dealing with the budget problem in terms of election-year politics. "On the campaign trail, he condemns deficits," the Massachusetts Democrat declared. "Here in Washington he defends them."

Mr. O'Neill, focusing on the issue Democrats consider the president's principal domestic failing, urged Mr. Reagan to "clarify his position on the federal deficit." The speaker again raised the question of easing the rate of increase in military spending by "stretching out" expenditures over three years, to save an estimated \$80 billion.

Mr. O'Neill complained that the president in a recent interview accused the Democrats of "acting like hard-line Soviet negotiators," and making "wild" proposals. The Democrats countered Wednesday that their proposal on the military increase had originated with the Republican administration of President Gerald R. Ford.

"We can save on defense," Mr. O'Neill continued, stressing a theme considered likely to be a main part of the Democratic presidential campaign.

Deficit Study Is Key Issue

By Jonathan Fuerbringer of the *New York Times* reported from Washington:

New estimates by the Congressional Budget Office, presented to the Senate Appropriations Committee, are certain to be a key issue in the bipartisan negotiations on the deficit.

One of the first tasks of the negotiators, whose ranks have been expanded to include the chairman of Budget, Appropriations and Finance committees in the Senate, will be to decide whether to base their discussions on the estimates of the nonpartisan Congressional Budget Office or on administration figures.

Assuming enactment of the modest spending reductions and tax increases proposed in Mr. Reagan's budget, the budget office projects deficits from 1984 through 1989 that are, in total, \$314 billion higher than the administration estimates. Of this, \$179 billion is due to assumed higher interest rates.

Some Democrats and Republicans, including Senator Robert J. Dole, chairman of the Senate Finance Committee, called Wednesday for measures to cut deficits over the next three years by twice as much as the \$100 billion reduction the president has proposed.

Mr. Dole, a Kansas Republican, outlined a three-year, \$102-billion deficit-reduction proposal, equally divided between spending reductions and tax increases. It does not cover military spending, which Congress is expected to cut. He said his committee would begin drafting the proposal Thursday.



George P. Shultz testifying before the Senate Foreign Relations Committee on U.S. policy in Latin America.

Shultz Urges Managua To Allow Vote Observers

By Bernard Gwertzman
New York Times Service

WASHINGTON — Secretary of State George P. Shultz has called on Nicaragua to allow international monitoring of its elections scheduled Nov. 4.

He expressed skepticism that the Sandinist leadership would agree to what Americans would regard as "fair elections."

The Swiss newspaper Tribune de Lausanne reported Thursday that the Nicaraguan government has approached Swiss experts on constitutional law for help with the drafting of a new constitution to be drawn up by the assembly that is to be elected Nov. 4. The Associated Press reported.

[The Swiss paper, quoting Nicaragua's permanent representative to the United Nations in Geneva, Gustavo Adolfo Vargas, said international observers would be invited to Nicaragua to avoid suspicions that either the elections or the constitution were undemocratic.]

Testifying Wednesday before the Senate Foreign Relations Committee, Mr. Shultz declined to state that if the elections honestly returned the Sandinists to power the United States would stop its support for rebels trying to overthrow them.

"The elections are one thing," Mr. Shultz said. "There are many aspects of Nicaraguan behavior that are incompatible with peace and stability in Central America. Their efforts to upset regimes in neighboring countries by force of arms are simply not compatible with the kind of world we'd like to see down there."

On Tuesday, Daniel Ortega Saavedra, coordinator of the Nicaraguan junta, announced that elections would be held Nov. 4 instead of Feb. 21, 1985, as originally proposed. He said that the government would introduce a bill to lower the voting age from 18 to 16.

Senator Claiborne Pell, Democrat of Rhode Island, questioned Mr. Shultz closely about the Nicaraguan announcement, trying to draw him from a statement welcoming it. But instead, Mr. Shultz seemed quite skeptical that the situation would change for the better.

"That regime is resisted by the 'contras' because of the things the regime is doing," he said, "because it betrayed its own revolution, and the kind of government it is running." Contras are anti-Sandinist rebels who are fighting the government from bases in Honduras.

Taking note of the planned lowering of the voting age, Mr. Shultz said: "I don't know of any country

I don't claim to be an expert on this — I never heard of anybody having a voting age of 16. That's an interesting little wrinkle. I don't know why they did that."

"I hope it does hold a fair election," he said. "We are very much in favor of fair elections."

But he said that to hold such elections honestly, "a whole host of things" must be done in advance.

This includes, Mr. Shultz said, allowing "rival political groups to

form themselves, and have access to people, to have the right of assembly, to have access to the media, to spread their views around, and so on."

"And beyond that, of course, to have an election that is conducted in a fair way," he said.

Mr. Shultz said that in El Salvador, where presidential elections are scheduled March 25, there would be so many outside observers that it would appear that there were "more observers than voters."

When her U.S. benefits were terminated, Miss Grunfeder automatically lost state medical assistance.

Holocaust Survivor Loses U.S. Benefits

By David Margolick
New York Times Service

LOS ANGELES — In 1943, shortly before the Nazis destroyed the Warsaw ghetto, a 4-year-old Jewish girl named Felicia Grunfeder was placed in a makeshift wooden coffin and smuggled to another section of the city. There, a childless Christian couple took her into their home.

But soon her new family was sent to a Nazi labor camp in Germany. At 10, after spending time as a displaced person, she came to the United States in June 1949 with her mother, the only other member of her family to survive the Holocaust. Years of dislocation had taken their toll, and she is incapacitated by psychological problems.

Although U.S. enforcement has been uneven, the West German reparations, generally one-time payments of approximately \$2,000, can be cited to suspend or temporarily withhold the supplemental benefits from people otherwise entitled to them.

Peter Rabinovich, a lawyer who has worked with the Conference on

which had gone toward psychiatric help, as well.

But for many other victims of the Nazi era who now live in the United States, the implications of the policy could be far-reaching. Although exact numbers are difficult to determine, as many as 10,000 Holocaust survivors live in the United States.

The physician, Dr. Willi Nix, said he had been in constant contact with a United States intelligence agent during his work in issuing identity cards to Germans who had none.

"I can still show you the scars from the beatings I received during two years concentration camps," Dr. Nix said. "How ridiculous is that I would give legitimacy in any form to Nazis?"

He said he had no idea why the assertions had been made by the author of the State Department report, Vincent La Vista, who looked into the illegal movement of refugees in Europe during the postwar period. The State Department made the La Vista report public after The New York Times published an article Jan. 25 that was based in part on the report.

Since then new evidence has emerged in New York indicating that Mr. La Vista may not have been aware that some of the people he was investigating were working with United States intelligence authorities.

In Rome, independent sources have made available official American documents describing Dr. Nix, who headed the German Anti-Nazi Association here after the liberation of Rome in 1944, as a man of "unquestioned anti-Nazi record" who was cooperating with Allied intelligence.

West Germany has recognized Dr. Nix as a victim of Nazi persecution and is paying him restitution in the form of a pension.

Eligibility for Supplementary Security Income benefits is based solely on need. A recipient's annual income cannot exceed \$1,752, and that amount includes annuities, pensions, prize awards, inheritances and gifts.

German Mentioned in '47 Report Denies Knowingly Helping Nazis

By David Margolick
New York Times Service

ROME — A German physician mentioned in a 1947 report to the U.S. State Department as having smuggled Nazis out of Italy under the protection of the Vatican has denied that he knowingly aided Nazis. He said he had actively opposed them and had been imprisoned and mistreated by them.

The physician, Dr. Willi Nix, said he had been in constant contact with a United States intelligence agent during his work in issuing identity cards to Germans who had none.

"I can still show you the scars from the beatings I received during two years concentration camps," Dr. Nix said. "How ridiculous is that I would give legitimacy in any form to Nazis?"

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Population of U.S. Grows 7.4 Million Since 1980 Census

By The Associated Press

WASHINGTON — The U.S. population has grown by 7.4 million in the 1980s, with more than half the increase coming in California, Texas and Florida, the Census Bureau says.

The bureau estimated Wednesday that U.S. population had grown by 3.3 percent from 1980 to 1983, to 233.9 million. It said Alaska's population had grown the fastest during the decade, rising by 19.2 percent.

California, Texas and Florida showed a total increase of 3.9 million people during the three years as the South and West accounted for 94 percent of the population gain, the report said.

"The U.S. Treasury is enriching itself by virtue of the German reparations program," said Terry Friedman of Bet Tzedek Legal Services of Los Angeles, which is representing Miss Grunfeder. "It's the height of injustice that the United States of America is profiting by the Holocaust."

When her U.S. benefits were terminated, Miss Grunfeder automatically lost state medical assistance.

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No Wrongdoing Found in Carter Papers Case

By Mary Thornton
Washington Post Service

WASHINGTON — The Justice Department said Thursday that its investigation into how Ronald Reagan's 1980 presidential campaign obtained briefing papers from the Carter White House had uncovered no credible evidence that the transfer violated any criminal law.

It said that the investigation was being closed.

In response to questions, a Justice Department spokesman, Thomas P. DeCair, said the investigation did not uncover how the documents had changed hands.

A Justice Department statement said that a decision was made not to use polygraphs to resolve inconsistencies in statements made by Reagan administration members about their roles in the incident.

A department report said that after FBI interviews of more than 20 people since June 1983, "no evidence was found of any plan or conspiracy by Reagan election officials to obtain Carter briefing materials or any other confidential internal Carter documents."

The report indicated that the Reagan campaign received no classified or government documents and obtained only a draft version of the Carter briefing materials for the Carter-Reagan debate Oct. 8, 1980.

Investigators of the Federal Bu-

reau of Investigation did find "internal documents of the Carter White House or the Carter campaign" among the Reagan campaign records examined. But the Justice Department report said the FBI found that "in no instance was there any evidence of theft or criminal misappropriation."

In some cases, the FBI could not learn what the materials were obtained because of a "proficient lack of memory or knowledge on the part of those in possession of the documents."

One inconsistency that arose involved differences of memory between the White House chief of staff, James A. Baker III, and the director of the Central Intelligence Agency, William J. Casey. Both were senior officials in the Reagan campaign.

In a letter to Representative Donald J. Alba, Democrat of Michigan, whose Post Office and Civil Service subcommittee has investigated transfer of the briefing papers, Mr. Baker said that "to his best recollection" the Carter documents were given to him by Mr. Casey.

Mr. Casey said in a separate letter to Mr. Alba that he did not remember seeing them or passing them along.

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Formidable Course

The race for the Democratic nomination is not over—not with just 200 or so of the 3,933 delegates chosen. But the sequence of Democratic contests is a formidable obstacle course for Walter Mondale's rivals.

Next Tuesday comes the primary in New Hampshire, where most Democratic voters are unmoved by union or organizational ties or even by strong Democratic sentiments on issues. The fluidity of this electorate gives Mr. Mondale's seven rivals their best chance—for some it will be the last one—to show that they can attract enough votes to be real contenders for the presidential nomination.

The next big test comes two weeks after New Hampshire: Super Tuesday, March 13, when 613 delegates are selected, more than on any other day in the campaign. (Two small states have caucuses in the meantime—Maine and Wyoming—and Vermont has a "beauty contest" primary that does not select delegates.) It is doubtful that any one of Mr. Mondale's rivals will be able on Super Tuesday to compete effectively in the three Southern primaries (Florida, Georgia, Alabama) and the two in New England (Massachusetts, Rhode Island), or in the hodgepodge of caucuses that day (from Oklahoma and Washington State to Hawaii and American Samoa). No candidate but Mr. Mondale seems to have the

money to compete in all and a message that will sell both north and south.

In the five days after Super Tuesday, 402 more delegates are chosen in caucuses; a week later comes the primary in Illinois. Mr. Mondale's campaign manager, Jim Johnson, spent months working Illinois for Jimmy Carter four years ago, and Mr. Carter beat Edward Kennedy by a 65-to-30-percent margin. Illinois has never had a taste for insurgents, reformers or underdogs. It is one of the most expensive media states in the nation. The odds against any Mondale opponent there are daunting. It is possible that they can be overcome, and that one or more opponents will make a race of it past March 20. But it won't be easy.

Some will charge that this obstacle course amounts to an unfair advantage for Mr. Mondale. But all the candidates have had an equal chance to amass the advantages that give him a better chance than his rivals to surmount these hurdles: backing by unions and public officials, ample funds, a talented staff, widespread support from ordinary citizens. One argument for the complex system of choosing presidential nominees is that it tests certain skills that have at least some resemblance to the skills wanted in a president. In this regard Walter Mondale seems to be doing well.

—THE WASHINGTON POST.

The Poor Get the Bill

In order to succeed, the poor need most of all the spur of their poverty.

Remember "Wealth and Poverty," the 1981 book by a social commentator named George Gilder? People in the brand new Reagan administration found it a harsh but welcome philosophical handbook. They still do, as is richly evident in a recent book, *The Budget of the United States Government for 1985*.

It would increase military spending. It would increase the national debt. And it would increase poverty, for its proposed spending cuts would fall most heavily upon the poor.

There are only three ways to reduce the immense deficits that the Reagan administration is racking up: to slow defense spending, to increase taxes or to hold back spending for "entitlements." Which of these steps is President Reagan willing to take?

Cut defense? Not a chance. He proposes another fat increase for the Pentagon.

Raise taxes? Are you crazy? Don't you know this is an election year?

So, cut entitlements. Which ones? One kind refers to federal aid that everyone is entitled to, needy or not, like Social Security. To take on those entitlements especially in an election year, would require political courage. They involve huge amounts for huge constituencies. The programs cost about \$306 billion a year, a third of all federal spending.

The other kind of entitlements are means-tested programs, like food stamps. To qualify, you have to prove you are poor. These entitlements, aimed directly at the people most in need, cost much less, about \$68 billion a year.

—THE NEW YORK TIMES.

The Threat To Security Is Deficits

By Stanley Karnow

WASHINGTON — The Latin American debacle, the simmering insurrections in Central America, tensions with the Soviet Union and other foreign policy problems are bad enough. But the most serious threat to America's security is the gigantic federal budget deficit.

Whatever happens in the world, short of nuclear war, the key to global stability is a sound U.S. economy. In recent weeks the experts have been unanimous in expressing alarm that the United States is headed for a slump unless the Reagan administration reduces the deficit.

Addressing a congressional committee early this month, the Federal Reserve chairman, Paul Volcker, cautioned that the deficit poses a "clear and present danger" to the economy, adding that there is "not much time" left to avert the worst.

His warning has been echoed by Henry Kaufman, the Wall Street guru, who foresees the deficit creating "circumstances that will bring on another recession." The concern is shared by Martin Feldstein, chairman of the president's Council of Economic Advisers, for whom cutting the deficit is a priority.

The president wants to spend more on defense but does not want to collect more taxes to pay the bill. So who pays? Over time, he is passing the buck, in the hundreds of billions, to America's children, who will have to cough up to meet the immense deficits. And who pays in the meantime? The poor. Philosopher Gilder should be beaming.

—THE NEW YORK TIMES.

W

Mr. Reagan wants to cut both kinds. Observe how bravely: He would cut \$2.1 billion out of the \$306 billion for those entitlements with powerful political support, and \$2.8 billion out of the \$68 billion for the truly needy.

Even his proposed cuts in the broad social programs are regressive, affecting the poorest recipients most. But the proposed cuts in means-tested programs will hurt more, especially considering how much Mr. Reagan has already hacked at them. The food stamp proposal is illustrative.

Mr. Reagan's own study commission on

spending has urged him to increase food-stamp spending by \$200 million or more. The new budget would cut spending by \$374 million. It is not called a cut. No, what the budget expresses is a desire "to encourage states to improve program integrity" — and suddenly the "error rate" in benefit payments to 3 percent. But for most states, that is impossibly low. The error rate in a simpler, federal-run welfare program is more like 4 percent.

In any case, the states are already under powerful pressure to reduce error. The new idea would not cut any more error — but it would reduce anti-hunger spending.

The president wants to spend more on defense but does not want to collect more taxes to pay the bill. So who pays? Over time, he is passing the buck, in the hundreds of billions, to America's children, who will have to cough up to meet the immense deficits. And who pays in the meantime? The poor. Philosopher Gilder should be beaming.

—THE NEW YORK TIMES.

the road man? Is Ronald Reagan really ready for the future?

A great deal is at stake here. As others have learned in the past, success in the early years does not guarantee an honored place in history for a president. A thumping re-election victory would not automatically do so for Ronald Reagan.

The accomplishments of his first term and the re-election that capped them would be sturdy building blocks, to be sure. But in the final analysis, how he finishes will count at least as much as how he began.

While I am hardly a neutral observer, it does seem to me that these first three years provide a basic self-confidence in the administration. After all, how many thought Mr. Reagan would come as far as he already has? From the beginning,

the establishment underestimated him, asserting that his rawhide ways and Hollywood style would never fly in Washington. In retrospect, the relatively low esteem the establishment had for him became one of his greatest strengths. Other recent presidents have come riding into office on inflated expectations, and as soon as the air began seeping out of the balloon they started a fatal descent. Mr. Reagan has played it the other way, continually fooling people by performing better than they expect and making even modest gains look like major victories.

The critics thought he would be so rigid and ideological that he would never be able to work with Congress, much less break the governmental stalemate that reigned in Washington. To their astonishment

Washington, President Reagan has achieved an even bigger surprise — he has begun a fundamental re-ordering of national priorities.

Before he took office the Great Society seemed to have become a basic fixture. No longer. As the presidential economic adviser, Martin Feldstein, has pointed out, spending on nondefensive activities other than Social Security and Medicare has fallen by 12.5 percent in real terms in the past four years, an unprecedented reversal: By 1986 that spending on social programs will represent about the same proportion of the economy as before the Great Society. Defense, which declined so that the higher social bills could be paid, has risen nearly 40 percent in real terms since 1980.

Whether you agree or disagree on the merits, that is a major shift in priorities. Did anyone seriously believe it would occur so soon after Vietnam? Anyone, that is, other than Ronald Reagan himself?

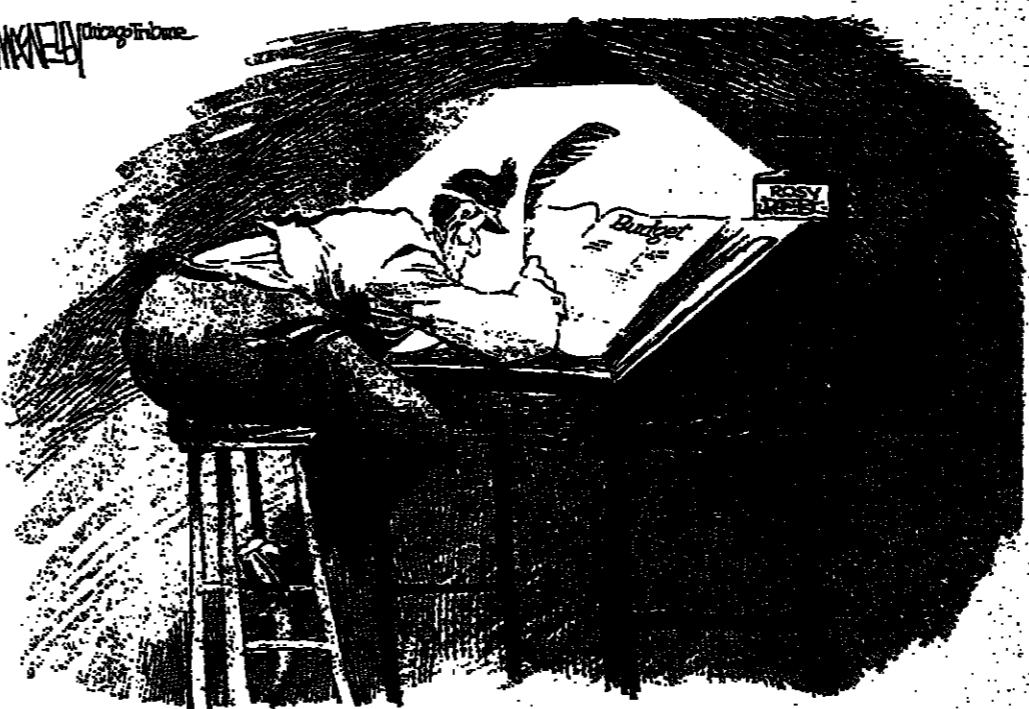
But perhaps the biggest surprise of all concerns the presidency itself. For several years conventional wisdom has held that the presidency has become unmanageable, mired down by forces ranging from the decline of political parties to the rise of modern television. By the end of President Carter's term, one of his most respected advisers, Lloyd Cutler, was writing that the Constitution ought to be altered so that America would have more of a parliamentary system and presidents could govern more effectively.

But Mr. Reagan's first three years suggest that the need was for a change not of constitution but of leadership. He has re-energized the presidency. There is a vibrancy in the office now that Americans had all but forgotten, and surely the country is the better for it.

And yet, there is something that hangs about all this, and it is not just the deficits or the troubles in Lebanon. There is something more fundamental that needs to be addressed. Naturally enough, the White House today is preoccupied with winning in November and is bending almost all its energies toward that end. But one has to wonder if sufficient attention is being given to what lies beyond November, where Ronald Reagan's historic reputation could rest so heavily.

The matter deserves serious attention, for it is widely recognized in the administration that the tasks of governing beyond 1984 will be enormous. It is none too soon to get on with the planning. The content of the second term cannot be planned on hold until after November.

This is the first of two articles. The writer stepped down last month as President Reagan's director of communications and is now a fellow at the Institute of Politics at Harvard and the American Enterprise Institute in Washington. He contributed this comment to *The Washington Post*.



damage his chances for another term in the White House.

Another way to curb spending would be to trim the military budget. But Mr. Reagan is convinced that there is no alternative for guaranteeing America's safety but to build military hardware.

So the president who promised to balance the budget is moving in precisely the opposite direction. The deficit is calculated to be \$194 billion for this fiscal year and could reach \$325 billion by 1989.

According to a recent study undertaken by American Telephone and Telegraph, Du Pont, Texaco and several other major corporations, the strength of U.S. industry is being severely eroded by the budget deficit and its principal consequence, high interest rates. These

have caused the dollar to be overvalued, thus making American exports too expensive to compete effectively.

As a result, the U.S. trade deficit has reached appalling proportions.

In 1965, imports were 4.3 percent of the manufactured goods sold in America. By 1980 the figure had climbed to 13.5 percent. The trade deficit this year will probably be \$100 billion as foreign products pour in and deprive Americans of an estimated 2 million jobs.

Another recent report showed high interest rates attracting so much overseas capital that foreign investment in America could soon exceed U.S. investment abroad.

At this pace the United States will join Brazil and Mexico, becoming a nation in hock. Not since before World War I, when money flooded in from abroad to develop an expanding economy, has the United

States been in such a situation. The risk, as Mr. Feldstein noted not long ago, is that the foreigners will keep putting money into America only as long as interest rates remain high and they can reap a fat return on their investment. Meanwhile the flow of outside capital will strangle American business, which would have trouble borrowing.

Mr. Volcker and others submit that curbing the budget deficit by \$30 billion a year would be significant. The place to prime military spending which is due to skyrocket to \$348.6 billion a year by 1987.

There is no doubt that America needs a strong military establishment. But more guns, ships and airplanes are not going to assure America's stability and security if the U.S. economy collapses in the process.

Tribune and Register Syndicate.

Other Opinion

Lebanon: Arena and Prey

Israel cannot just walk away from Lebanon as the West is doing. It has to get credible guarantees of security for its northern frontier. If the Syrians really want Israeli withdrawal, they will have to allow such guarantees to be given by someone — whether it is a new government in Beirut or a de facto authority in the south. But Syria may prefer to keep Israel on the rack in southern Lebanon, wearing her out by encouraging violent resistance against her rule and against any surrogates.

That would be a dangerous option because Israel could decide, if the pressure became intolerable, to respond with the all-out attack on Syria which many Israelis believe to be inevitable sooner or later in any case.

—The Times (London).

The situation is still too volatile to be regarded as a total breakdown. Struggles for hegemony will continue, repeating the cycle of cease-fires and resumed fighting. Nonetheless, the Lebanon situation will depend largely on the firmness of Washington's resolve.

—Seoul Shinmun.

Walter Mondale in '84 . . .

Iowa's caucuses are perhaps the least scientific method of testing public opinion, short of a Soviet general election, that has been devised by politicians. Such Democrats as were keen enough to brave the Midwest winter trooped

to their community halls, discussed the merits of various candidates, voted on a show of hands and telephoned the results through to a center for adding. Iowa's significance is solely that it is the first test of electoral opinion that can be televised. With all these reservations, Mr. Mondale's achievement of almost 49 percent of the total vote in a field of seven is dramatic. He must now be considered a certain bet for his party's presidential nomination.

—The Daily Telegraph (London).

... and Ted Kennedy in '88?

There are those who believe that the next Democratic president is not spending the week campaigning in New Hampshire but has quietly celebrated his 52nd birthday in Washington. Ted Kennedy turned 52 on Wednesday, and there are power brokers and political experts who believe he is the Democrat who will succeed Ronald Reagan in the White House — in 1989. Those of us who cannot predict next fall's election can hardly foresee events four years away, so this is no prediction. Mr. Kennedy predicts that there will be a Democrat in the White House in 1988, for whose re-election he will campaign. But Ted Kennedy has become a very influential senator. Time matters in the Senate, and he has spent 21 years there. This time next year he will be the eighth most senior of the 100 senators. If it is a Democratic Senate, his chairmanship will give him significant leverage.

—Theo Lippman Jr. in The Baltimore Sun.

Sartawi and Israel: Intrigue and Failure All Round

By Flora Lewis

PARIS — Partial reports have surfaced on negotiations in which the PLO supposedly promised in June 1982 to recognize Israel, and the United States supposedly promised in turn to recognize the PLO. According to participants, the exchange was blocked by Israel's invasion of Lebanon on June 6 of that year. This is far from the whole story, which, like so much of the Middle East record, is composed of ambiguity and betrayal.

A key figure was Dr. Issam Sartawi, a member of the Palestine National Council who was instrumental in Yasser Arafat's diplomatic successes. Dr. Sartawi was a persistent, if credulous, seeker of Palestinian peace with Israel. On Sunday, June 20, 1982, he called me in despair to say there had been a PLO-U.S. agreement but Washington had set aside so that Israel could destroy the PLO in Beirut. That was in the middle of the terrible siege.

I asked whether publication of such documents might force an end to the bloodshed. We spent 10 hours going over it all. He wanted me to publish his personal appeal to Mr. Arafat to keep on fighting to the end, pleaded for consideration of the Lebanese who were dying in the cross fire, but he brushed them aside as hostages.

"I risked my life for peace," Dr. Sartawi said. "I may be shot in the

next few days." That was his explanation for refusing permission to publish documents which, he argued, were proof of U.S.-PLO agreement.

There were three papers. The first, dated April 23, was a memo to Mohammed Mzali, Tunisia's prime minister, who was about to visit President Reagan. It said European leaders had agreed with Dr. Sartawi on the following procedure for recognition:

Dr. Sartawi would make a public declaration in Europe reviewing various resolutions of the Palestine National Council; he planned it for June 14. He would then say, "It follows therefore that the PLO recognizes the right of Israel to exist and denies that it has any desire to destroy the state of Israel, as proved by the fact that all articles of the PLO charter which contradict this position have been officially amended through PNC resolutions."

Dr. Sartawi's memo added that the PLO would not repudiate his statement and that Chairman Arafat would "exercise the privilege of endorsing it" when he was received by European leaders. But there was no direct commitment from Mr. Arafat,

good offices to prevent Israel from exploiting any situation and invading Lebanon." Official U.S. acknowledgment and early reception of a PLO delegation were specified.

The United States never answered Israel's defense minister, Ariel Sharon, in a meeting with Undersecretary of State Walter Stoeckel and the assistant secretary for Middle East affairs, Nicolas Veliotes. The reply was on plain paper, with no heading, no date and no signature.

It began, "I refer to your discussion with the Secretary and the President concerning the message from Mr. Arafat." It went on to repeat the established American position on PLO recognition of Israel, urged "moderate Arab nations" to do the same, and concluded that "we would open a dramatic new possibility for moving toward peace."

Dr. Sartawi took it as American recognition of his intricate offer, but that was nowhere stated nor was the paper official. On May 14 he gave Prime Minister Mzali his reply for Washington. It asked for "clarifications" and some U.S. commitments.

It said: "Pressures will be applied to induce repudiation of this statement. But these will be ignored." (Dr. Sartawi told me that fighting would have erupted among the PLO factions in Beirut.) "The government of the U.S.," he went on, "in case the situation escalates, will exercise its

LETTERS

Igor Andropov's Exit

There is one error in the otherwise admirable report by John Burns on Yuri Andropov, ("A Death in the Kremlin: Suddenly, New Details Are Revealed," Feb. 14). Mr. Burns says that Mr. Andropov's son, Igor, did not leave the American Security Conference in Stockholm until Thursday, Feb. 9, the day of his father's death, and arrived too late to see him living.

Igor Andropov left the Stockholm conference on Tuesday, two days before his father's death and immediately after making a speech in which he accused the United States of preparing for nuclear war

Isolation, Policy of Moderation Hamstring Italy's Communists

By Henry Tanner
International Herald Tribune

ROME — The Italian Communist Party's position as political outsiders, and its difficulties in combining moderation with effective opposition, were shown clearly in recent days, in confrontations with the Socialist prime minister, Bettino Craxi.

The Communists have no potential allies among the other political parties. They are strong enough to make their views felt in almost every field but have no chance for government power in the foreseeable future.

The Communist Party has consistently been getting 30 percent of the vote in national elections. There are a few independent leftist members of the legislature elected on the Communist ticket and a couple of small communist groups outside the party, but they do not add significantly to the Communists' voice in the legislature.

Moreover, the Italian Communists began a trend toward moderation in the mid-1970s with their creation of Eurocommunism. The term signified independence from Moscow and willingness to work not for revolution but for political reform within the rules of parliamentary democracy.

Those two principles remain the party's guidelines even though the word "Eurocommunism" is virtually forgotten.

In the late 1970s, Enrico Berlinguer, the party secretary, sought a historic compromise with the ruling Christian Democrats. The most he attained was that the party became an official "government party," which meant that it voted with the government in exchange for close consultation but did not enter the cabinet. The system collapsed when the leadership of the Christian Democrats changed.

The Communists then put their hope in an alliance with the Socialists to create a "leftist alternative" to the Christian Democrat-led governments. But Mr. Craxi, who took over the Socialist Party in 1976, led it steadily further to the right and out of the shadow of the Communists.

When he became prime minister last August, officials said that was

NEWS ANALYSIS

the "alternative," meaning that the leftward trend would stop just where Mr. Craxi stood. Mr. Craxi now is regarded by the Communists as their chief enemy, no longer a potential ally.

The Communists are finding it difficult to be both moderate and an effective opposition party.

They are in favor of the North Atlantic Treaty Organization, although not all its decisions. Mr. Berlinguer once said, "NATO is needed for our protection."

The Communists' opposition to the stationing of U.S. cruise missiles in Sicily has been so tepid that the party has missed a potentially good political issue and made life easy for Mr. Craxi on an important policy. The missiles are due for deployment in March.

So distant had the Italian Communists become from Moscow that they were surprised when Konstantin U. Chernenko became party leader. Communist officials here confess that neither Mr. Berlinguer nor anyone else from Rome had ever had a real talk with Mr. Chernenko and that they had little more inkling about his intentions than most Western university professors.

The Italian party had set its hopes on Yuri V. Andropov, thinking he would institute efficient government at home and then become

more open on vital East-West issues.

Domestically, the trend toward moderation within the Italian Communist Party showed even during the past few days when the Communists had one of their sharpest setbacks in years.

Angered over Mr. Craxi's government decree on workers' wages to override the CGIL, the Communist-led labor union, Mr. Berlinguer made one of the toughest speeches of his career to the party's Central Committee, clearly implying that the party is bent on bringing Mr. Craxi down.

But L'Unità, the party newspaper, in its report on the speech, softened the threat by putting it in the future tense: "A matter of syntax," a party spokesman said.

At the end of the meeting, Mr. Berlinguer emphatically stated that the party would continue to respect the country's democratic institutions and that no unconstitutional means would be used to prevent the legislature from approving the decree later this spring. Speakers for moderate policies dominated the debate.

The latest episode has shown, one specialist said, that the Italian Communist Party is not an ideological party but a "working-class party" in the sense that its only real strength lies in the support of its voters and the 4.5 million members of the CGIL, the General Union of Italian Workers.

The party cannot resort to revolution or lean on Moscow because of the self-imposed limitations of Eurocommunism. So even though it has not been able to gain power, it is "condemned," as one newspaper commentator wrote, to live within the Italian system.

Communist Party and union officials last week have feared that their rank and file would re-



Enrico Berlinguer

fuse to follow them if they went along with the government's proposed cuts in the *scala mobile*, the price-indexation system.

The last thing they could afford would have been a rank-and-file rebellion against them. It would have been a catastrophe for the party and the CGIL and would have played into Mr. Craxi's hands.

Attack by Peruvian Rebels

The Associated Press

LIMA — Leftist guerrillas threw explosives Thursday at the home of Ricardo Montanaga, the president of Peru's senate, heavily damaging the residence but causing no injuries, a police official said.

The official said the attackers were from the Shining Path guerrilla organization.

'Bubble Boy' Dies at 12

(Continued from Page 1)

nautics and Space Administration.

The length of time that David went without complications from the transplant, along with preliminary tests that indicated late last month that the graft might have taken, had given hope that he was beginning to develop an immune system.

But reactions kept multiplying. After a brief period of high fever, diarrhea and vomiting in mid-January, there was a more acute recurrence of the same symptoms early this month.

[Dr. Shearer said his death had resulted from a proliferation of an "abnormal growth" of B-cells, a type of lymphocyte. The Associated Press reported.]

[David's death "has taught us there is an important connection between the immune system and the development of cancer or abnormal growth of cells," Dr. Shearer said. "David's death was as unique as his life was."]

Russians Vow to Match Arms of U.S.

Compiled by Our Staff From Dispatches

MOSCOW — Two Soviet military leaders said Thursday that the Soviet Union would match the level of U.S. power, which they called a threat to peace and to the Soviet Union.

Defense Minister Dmitri F. Ustinov, in an article, accused the Reagan administration of seeking world domination.

"The present level of industrial, scientific and technological development of our country makes it possible to develop — if this is needed to respond to the military challenge from imperialism — any types of arms in the required quantities and equip the army and navy with them," he said.

The remarks by Marshal Ustinov, who had been considered a candidate to succeed Yuri V. Andropov as Soviet leader before the choice of Konstantin U. Chernenko, appeared in his annual Armed Forces Day article in Pravda.

In a separate order of the day to the Soviet armed forces, Marshal Ustinov said the deployment of

U.S. medium-range nuclear weapons in Western Europe "is an action of particular danger to the cause of peace."

Missile deployment "aggravated the situation in the world, increased the danger of war, created an additional threat to the U.S.S.R. and its allies and made impossible the continuation of negotiations on the limitation of nuclear arms in Europe," Marshal Ustinov said.

The Russians walked out of arms talks in Geneva on Nov. 23, just before the new U.S. medium-range missiles were deployed. They also suspended the Strategic Arms Reduction Talks.

Marshal Ustinov recalled that President Ronald Reagan had labeled the Soviet Union "the focus of evil." But he added that "all actions of Washington in political, military, economic and ideological areas are subordinated to the course directed toward establishing domination in the world."

Later Thursday, in a nationally televised statement, the Soviet Army's chief of staff, Nikolai V. Ogarkov, accused the United

States of attempting to destabilize the international situation through what he called "banditry" in the Middle East and Latin America.

"An even deeper threat to peace comes from the stockpiling of nuclear armaments," Marshal Ogarov said.

(UPI, AP)

■ Anti-Corruption Drive

A member of the Soviet Politburo was quoted Thursday as saying there should be no letup in the drive against corruption and moves toward economic reform introduced by Mr. Andropov.

Addressing an election meeting in Rossosh in southern Russia, Vitaly I. Vorotnikov warned against the impression that measures introduced by the past administration would now lapse.

"It is important that there should be no slackening in the attention paid to these issues, that nobody should regard the battle for discipline as some kind of short-term campaign," he said, according to Pravda.

Later Thursday, in a nationally televised statement, the Soviet Army's chief of staff, Nikolai V. Ogarkov, accused the United

China and Taiwan Develop Unofficial Contacts

Fishermen's Visits, Smuggling, Indirect Trade Are Bending Rigid Hostility

Second of two articles.
By Christopher S. Wren
New York Times Service

PINGTAN, China — When the sky darkens and a gale blows up over the choppy waters of the Formosa Strait, some fishing boats from Taiwan take shelter from the storm in the snug harbors of China's Pingtan Island.

"When the Taiwan fishermen sail into port, they take down their flag and fold it away," said Wang Enging, a Chinese official who supervises four reception centers for the fishermen along Fujian province's rocky, wind-buffed coast. "Sometimes they also cover up the name and number of their boats."

Pingtan Island, about 80 miles (130 kilometers) west of Taiwan, has for nearly three years received, by local count, 3,000 such Taiwanese fishermen, who find refuge from typhoons, repair their engines, take on provisions and snatch a glimpse of life on the forbidden mainland. Chinese authorities have encouraged such visits in the hope they will break down suspicions and hasten reunification of China and Taiwan.

A network of unofficial contacts has developed between the two hostile regimes, which are technically still at war. Estimates of China's indirect trade with Taiwan last year range from \$300 million to \$450 million. Smuggling between fishermen adds tens of millions of dollars more in illicit commerce, despite efforts on both sides to stamp it out.

Most Taiwanese fishermen come for more innocent motives. Wei Ming, who helps manage Pingtan Island's tidy four-story hostel for the fishermen, recalled that the first guests arrived because of bad weather or boat malfunctions and were afraid of their hosts.

"They were not brave enough to speak to us," he said. "They didn't have any appetite and they couldn't sleep. But gradually, they cheered up. They asked to go sightseeing, and we're surprised by what they saw, and that's when they began to speak to us."

"When they saw women wearing high heels and skirts and colorful blouses, when they went to the park and saw lovers sitting together, they were surprised," Mr. Wei said. "They thought wives were distributed by the state."

Fraternization between scholars and students from China and Taiwan studying abroad has become common, and scientists and other professional delegates mingle at international conferences. Several thousand tourists from Taiwan have come to China to see relatives.

Lin Jiang, a Taiwanese-born official of Fujian province's Taiwan Compatriots Federation, estimated that about 1,800 Taiwanese tourists visited his province last year, traveling usually by way of Hong Kong because Taiwan bans such trips. Mr. Lin said a third of the families in Fujian with relatives in Taiwan now corresponded through the postal systems of third

countries. Taiwan has rejected China's offer of direct mail, air and shipping links.

Officials in Taipei contend that the Communist government has exaggerated the contacts but concede they do exist. Taiwan's prime minister, Sam Yen-suen, announced recently that Taiwanese and mainland Chinese could meet "so long as it's done on an equal footing" and provided the meetings are not political and do not take place on the mainland.

Beijing has encouraged the trend, which is still modest compared to its relations with other countries. A Beijing radio broadcast to "Taiwan compatriots" in December urged them to "carry out more contacts and explorations in the new year to increase understanding, exchange ideologies, eliminate suspicions and do away with obstacles, thereby enabling the cause of reunifying the motherland to continue to march forward."

China, however, has insisted that fraternization take place on its terms, which means treating Taiwan as a subordinate province. In 1982, it refused to send a team to the women's softball championships in Taipei because the hosts were using the Nationalist flag and anthem.

China has sent 20,000 scholars and students abroad, according to the party chief, Hu Yaobang, and they have been instructed to be "warmhearted and sincere" to those from Taiwan. Raymond R.M. Tai, deputy director of the government information office in Taipei, indicated that similar guidance was given to the 5,000 students from Taiwan who are also studying abroad.

The Taiwanese authorities, fearful of subversion, will not let mainland Chinese visit their island unless they have lived in some other place like Hong Kong for five years. But Mr. Wei, the manager of the hostel in Pingtan, said he knew of Chinese fishermen who sailed over to the Nationalist-held Penghu Islands and "nothing happened to them."

Taiwan has also turned a blind eye to visits by some of its citizens to the mainland. Lin Chia-ling, a violinist from Taiwan, performed twice last month with Li Jian, a Shanghai pianist, to enthusiastic audiences in Beijing.

Both governments still dispatch propaganda packets stuffed with gifts. The Nationalists use balloons, the Communists float across small rafts.

Ordinary Chinese use more prosaic channels to communicate with relatives on the other side. Wang Yigeng, a 75-year-old retired postal official in Fuzhou, said he wrote to his three brothers, who went to Taiwan in 1949, through relatives who lived in the United States.

Such contacts have yet to give visible impetus to China's goal of reunification with Taiwan, but they suggest the tentative shape of a reconciliation. "If we maintain a peaceful coexistence, we can develop a working relationship with the mainland," said Antonio Chiang, the editor of a dissident magazine in Taipei. "Through the exchange of journalists and scholars, we can be more understanding and relaxed."



Basque Socialist Senator Shot to Death in Spain

Little-Known Group Claims Responsibility for Slaying of Outspoken ETA Critic

By Tom Burns
Washington Post Service

MADRID — A leading candidate of the governing Socialist party in elections for the regional Basque assembly was killed at his home Thursday by a gunman.

Police said the hooded gunman ran at the door of Senator Enrique Casas's home in San Sebastián and pushed aside the senator's 17-year-old son, who opened the door. Senator Casas, 40, who was leaving to campaign, was shot four times and died instantly. The killer escaped with an accomplice in a waiting car, authorities said.

[A spokesman for a little-known group called Mendeiku, the Basque word for "vengeance," told several Basque newspapers by telephone that it was responsible for the killing. The Associated Press reported.]

[Police had earlier indicated that the killing appeared to be the work of ETA, a Basque language acronym for "revenge," told several Basque newspapers by telephone that it was responsible for the killing. The Associated Press reported.]

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NYSE Most Actives								
CoFCo	1702	34	34	23	23	17	+1	
SCCoEd	1702	34	34	23	23	17	+1	
MetLife	16714	17	17	15	15	17	+1	
AET	17177	17	17	15	15	17	+1	
IBM	14712	105	105	105	105	105		
Chrysler	12994	200	200	200	200	200		
AT&T	10172	200	200	200	200	200		
Motorola	10172	200	200	200	200	200		
Philip Morris	9480	414	414	414	414	414	-1	
Merrill	9226	200	200	200	200	200		
Dow Jones	9226	200	200	200	200	200		
Textron	8733	200	200	200	200	200		
General Mills	8179	18	18	18	18	18	+2	
Bear Steyer	8064	18	18	17	17	17	+1	

Dow Jones Averages								
Com.	1702	34	34	23	23	17	+1	
Indus.	11245	114	114	114	114	114	+1	
Trans.	47124	474	474	474	474	474	+1	
Util.	12445	125	125	125	125	125	+1	
Comp.	4425	460	460	460	460	460	+1	

NYSE Index								
Hib.	Low	Close	Glob.					
Composite	85.73	87.49	86.49	-0.05				
Industrials	103.57	102.85	102.55	+0.12				
Trans.	102.57	102.25	102.05	+0.22				
Utilities	42.45	42.95	42.34	-0.61				
Finance	87.33	88.28	85.77	-0.67				

Thursday's NYSE Closing

Vol. of 4 J.M.
Buy Sales \$M/1
Feb. 22 224,164 481,776 753
Feb. 21 223,223 478,756 1,159
Feb. 17 223,223 482,868 4,665
Feb. 15 221,681 374,575 2,853

Tables include the nationwide prices
Up to the closing on Wall Street.

AMEX Diaries								
Advanced	754							
Declined	406							
Unchanged	882							
Total issues	2,061							
New Highs	124							
New Lows	124							
Volume up	1,501,625							
Volume down	3,977,765							

NASDAQ Index								
Class	Prev.							
Ch.	Low	Close	Glob.					
Composite	174.50	174.29	173.95	+0.15				
Trans.	173.98	173.52	173.15	+0.15				
Utilities	172.25	172.25	172.15	+0.10				
Finance	170.52	170.61	170.61	+0.09				
Banks	171.15	171.15	171.15	+0.05				
Telcos	171.15	171.15	171.15	+0.05				

AMEX Most Actives								
Vol.	Hib.	Low	Close	Glob.				
Dodge & Clegg	3,005	3,044	3,025	+15				
Eckerd	2,704	2,704	2,696	+20				
Savers	2,704	2,704	2,696	+20				
General Mills	2,694	2,694	2,686	+16				
Domino's Pizza	2,694	2,694	2,686	+16				
Donovan	2,694	2,694	2,686	+16				
Philip Morris	2,694	2,694	2,686	+16				
Merrell	2,694	2,694	2,686	+16				

AMEX Stock Index								
Class	High	Low	Close	Glob.				
Ch.	Prev.							
Composite	174.50	174.29	173.95	+0.15				
Trans.	173.98	173.52	173.15	+0.15				
Utilities	172.25	172.25	172.15	+0.10				
Finance	170.52	170.61	170.61	+0.09				
Banks	171.15	171.15	171.15	+0.05				
Telcos	171.15	171.15	171.15	+0.05				

12 Month High Low Stock Div. Yld PE Stk. Div. 100s High Low Glob. Chg. Chg.								
A								
1954 74 AAR	124	22	22	124	124	124	124	124
2292 2012 ACT	50	25	25	50	50	50	50	50
4124 21 AMR Cp	6	44	44	29	29	29	29	29
1024 16 AMR	218	218	218	218	218	218	218	218
1294 51 API	12	12	12	12	12	12	12	12
2292 17 AVX	12	12	12	12	12	12	12	12
2292 22 Accor n	24	12	12	25	25	25	25	25
2292 23 Accor n	24	12	12	25	25	25	25	25
2292 24 Accor n	24	12	12	25	25	25	25	25
2292 25 Accor n	24	12	12	25	25	25	25	25
2292 26 Accor n	24	12	12	25	25	25	25	25
2292 27 Accor n	24	12	12	25	25	25	25	25
2292 28 Accor n	24	12	12	25	25	25	25	25
2292 29 Acc								

WEEKEND

February 24, 1984

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Art and the Artful Fake

by John Russell

NEW YORK—I hate to say it, but a lot of people love fakes. Given the choice, they prefer them to the real thing. Fakes are funny, they think, and unlike the genuine article they are the easiest thing in the world to talk about. Those same people often love fakers, too, and they see them as the lone riders of the art world. Fakers, they think, are sexy, mischievous, insubordinate outlaws, who like nothing better than to puncture the snuffed shirt and watch the sawdust run out.

It was always so. In the mid-1890s a 6-inch-high (15-centimeter) headpiece called the "Tara of Staatsoper" was the talk of Paris. Bought by the Louvre as dating from the third century B.C., it was soon proved to date from the year 1890. A mob scene broke out, and people who would never have visited that part of the Louvre on any other pretext used elbows, fists and umbrellas to get inside. Sixty years later, and long after it was known to everyone that the celebrated pseudo-Veemere of "Christ and the Disciples at Emmaus" had been painted in the 1930s by Han van Meegeren, that pseudovermeer was such a favorite with visitors to the Museum Boymans-van Beuningen in Rotterdam that the museum couldn't print the postcards fast enough.

When the medieval frescoes in the church of St. Mary's in Lübeck, West Germany, were restored after World War II, they were widely acclaimed. The local museum director went so far as to say that they would change all our

notions of what a Gothic brick interior had looked like when it was new. In no time at all the frescoes in question made it onto a West German postage stamp.

But hardly had the applause died down than some of them were found to have been invented ("faked" would be too rough a word) by one of the painters who had worked on the restoration. Who he drummed out of town? Treated as a non-person? Not in the least. Already a local hero, he was widely regarded as a harmless and engaging prankster—and, what is more, as a gifted artist who had put the connoisseurs in their place. Fakers are credited with energy and bounce, daring and dash, no matter how often the facts prove them to have been second-rate wretches who found relief in living a lie.

Nearer home, the Etruscan warrior reproduced here endeared himself to many visitors after he was bought by the Metropolitan Museum in 1921. They had no trouble accepting him not only as a fine specimen of manhood but as a work of art that dated from the fifth century B.C. Even when he was found to have been manufactured in our own century he still had his constituency. And although the taste for German 15th-century bronzes is less peremptory than the taste for fine specimens of antique manhood, it must have justified the fabrication of the "Candelstick With Figure Mounted on a Lion," likewise reproduced here, which is four centuries later than was once claimed to be. In the words of one shrewd observer, "the oriental quality of the lion's face

is closer to 19th-century porcelain dogs than it is to the original models."

Just a few weeks ago the roster of known fakers was enlarged by what may well be its most distinguished name—that of Reinhold Vasters, a German goldsmith who worked in Aachen from 1853 to 1890. Virtually unknown until last month, he is now believed to be the sole author of piece after piece that had been accepted the world over as masterpieces of the Renaissance jeweler's art. The most familiar of his creations is probably the so-called Rospijosi Cup in the Metropolitan Museum. To that cup, the great name of Benvenuto Cellini was often attached without apparent incongruity. But it was simply one of many, many pieces, both in the United States and in Europe, that are now known to be autograph works by Vasters.

So close did Vasters get to Cellini—that it is unlikely that he would ever have been caught out if his drawings had not survived. Where style was concerned, he made no mistake. Unlike the hundreds of people who have tried to fake Old Master paintings (and new master paintings, too) he never fell unwittingly into a style that was distinctively of his own time. Not until the Rospijosi Cup was taken apart, piece by piece, did it appear that it had been put together in ways that did not exist until Vasters' own time.

It was big news, beyond a doubt. As of that moment, the accepted histories of Renaissance jewelry were rendered obsolete. But once again it was with glee, rather than with reprobation, that the world heard the news. Even Philippe de Montebello, director of the Metropolitan Museum, could not find it in himself to pull a long face when he first made the news known. There was after all something irresistible about an achievement that had been on so large a scale, was in itself of such high quality, and had escaped detection for close on a hundred years. "You've got to hand it to him" was the general reaction even among those directly affected.

The case is of great fascination both for what Vasters did and for the manner in which he was (or was not) found out. Quite clearly he was both a gifted designer and a prodigious craftsman. Nor is his mastership a matter of conjecture. After he died in 1909 a large number of his working drawings arrived at the relevant department in the Victoria and Albert Museum in London, where they were to slumber in seclusion for more than 70 years.

Then in 1980 a curator at the V&A called Charles Truman looked them over and began to wonder how they related to the Renaissance jewelry that had so clearly inspired them. Were they conscientious records, made with didactic intent? Or ingenious variants aimed at the ever-expanding new public for monumental jewelry? He soon found that they were neither of these things. They were how-to drawings, and full of minute and complicated instructions for assembly. Beyond all possible doubt, Vasters was a master-deceiver, and one who rather enjoyed the idea that some day, probably long after his death, that fact would be made known.

Among fakes and forgeries the Vasters pieces are in a very high class. Even though we now know that they are no more than 100 or so years old they continue to give pleasure. For distinction of design, flamboyant beauty of materials and elegance of execution they would stand out in any company. In this they differ completely from the general run of fakes,



Vasters' imitation Cellini cup, the fake Etruscan, and a 19th-century "medieval" bronze.

which to an experienced observer are likely to give off a powerful and disgusting vibration.

So far from being mere impersonations, the Vasters pieces have in fact an integrity of their own that is nonetheless impressive for the fraudulence that went into their marketing. We accept them for qualities that we cannot but admire—a sense of history, a desire to emulate and excel, a very high degree of craftsmanship. In the history of Renaissance jewelry they now play no part at all, but in the cultural history of the late 19th century in Europe they will always have a place.

And that place will not be ignoble, no matter what we think of the transactions with which they were associated. It is important in this context to realize that even 20 years ago the specific merit of Vasters' work might have gone unrecognized. The late 19th century was until quite recently regarded as the rock-bottom point of the decorative arts. But every generation sees for itself, and if we go today to the American Wing at the Met we shall find late 19th-century rooms installed with the kind of care, insight and affection that would once have been reserved for the colonial period.

When faced with late-19th-century work we see differently, and we see more, and one of the things that we see is that Vasters' productions have a poetry that is their own.

That is where they differ from all but a very few of the thousands of fakes and forgeries that have polluted the history of art, and of society, for two thousand years and more. Contrary to what is often supposed, it is only very rarely that a fake can deceive an informed observer. People still believe, for instance, the art world as a whole was deceived by the pseudo-Veemere when it was produced in the Netherlands before and during World War II.

The truth is that from the very beginning those paintings were discounted by experienced observers. When I myself was shown them in a bank vault in Brussels some 30 years ago I had, of course, the benefit of hindsight, since their authenticity was only upheld at that time by a fanatical minority of one. But even so it was immediately clear that—quite apart from any other considerations—van Meegeren had used a vocabulary of form that was distinctively of his own time and could not possibly have been employed in the 17th century.

With this and other celebrated fakes, the interesting thing is not that people should have tried to push them, but that anyone should ever have been taken in.

In this context the idea that "No one can tell the difference" between truth and falsehood is often put forward as if it were a matter of common sense and common experience. But the truth is that there is always someone who can tell the difference, just as there is always someone who can tell at a glance what is wrong with a horse, a plant, an automobile or a balance sheet that is not what it is claimed to be.

Faking does on the other hand, speak to instincts that lie deep in human nature and will never disappear. Such is the strength of these instincts that perfectly reputable people sometimes turn out to be on the side of the fake, thereby compounding our difficulties. It is not that they wish to make money dishonestly, or to help others to do so. But there surfaces in most of us at one time or another the wish not only to know better but to be seen to know better.

Continued on page 9



The forger Hans van Meegeren at work.

PHOTOGRAPH BY RONALD WOOD

In China's Capital of Chic

by Michael Weisskopf

SHANGHAI—For the latest party line in this Chinese center of good taste, be prepared for something with ruffles and a high collar.

If, as officials say, China is going through a "revolution in fashion," then Shanghai is the cockpit, home of the top designers who craft the most modish of everything, from kiddie overalls to a full line of party gowns. Shops on Nanjing Road—the city's Fifth Avenue—test the newest styles before other places get a peek.

"We consider ourselves the Paris of China," says Xu Yongqian, chief of a design research center here.

Chinese cities, including this would-be Paris, still look like a vast sea of dark blue and green, with splashes of red, yellow and pastels playing across the water line. But in this post-Mao era of rising living standards, Chinese are being permitted—even officially encouraged—to smarten up.

No less an arbiter of public taste than Peo-

Chinese cities still look like a vast sea of dark blue and green. . . . But in this post-Mao era of rising living standards, Chinese are being permitted—even encouraged—to smarten up.

pic's Daily has declared: "Drabness is not a tradition and poverty is not a virtue."

China's garment industry took that as a cue to diversify its line of shapeless white shirts, baggy pants and tunics—a unisex staple for the last generation. Out came Western suits, colorful skirts, turtle-neck sweaters, floppy sun bonnets, high-heeled boots, down-filled jackets and ruffled blouses.

A tour of the smartest shops on Nanjing Road still suggests shades of Sears, Roebuck circa 1952. The men's suits are more Khrushchev than Gianni Versace. The ladies' dresses seem straight out of Mamie Eisenhower's wardrobe. But the consensus is that the ubiquitous Mao uniform that made the Chinese look like a society of delivery boys has finally worn out its welcome.

"Our customers are bored with the same old uniform," says Liang Pin, a Shanghai clothing store director. "Everyone wants something new, something nice-looking. People are much more discriminating these days."

Under Mao, fashion was considered a vestige of the bourgeoisie. Women wearing dresses in the 1970s were chased off the street. Red

guards, wielding razor blades, slit trousers deemed too tight.

Today, Mao lies in his Beijing mausoleum, draped in a red flag. Three blocks away, billboards that once shouted his slogans advertise powder-blue cashmere pullovers and muskrat coats.

Many of the trendiest styles are obvious knock-offs from the West. Some youths are known as "amateur overseas Chinese" for parading around in trench coats, jeans and sunglasses bearing a foreign label on one lens.

The born-again garment industry is catching up fast. The well-dressed woman can now buy diaphanous silk blouses, scented nylon stockings (good for 10 washes) and the traditional cheongsam, a slimy, high-collared gown with a slit up the side that was made famous by Suzie Wong in a different era.

Designers say they have relative freedom to dress up China as long as they heed the "four pillars" of fashion—no pinching necklines, no bare shoulders, no low backs and no short skirts.

"In our country, we try to protect the virtuous image of women," explains Fan Yongfa, a women's clothing designer, Fan Yongfa. "Our female

comrades hate exposure. They don't want to appear to be frivolous."

Good taste is often measured in inches. In designing new cheongsams, for example, Fan can slit no higher than eight inches above the knee.

No one simply creates an outfit from his inspiration here. The designers see themselves as part social scientist, part draftsmen.

"In the West, designers get an idea out of the blue and try to sell it to the public," says Xu, of the Shanghai design research house. "We must study people's psychology and base our work on deep social investigation. We must collect our information from many quarters."

This information-gathering process includes test sales, shopper surveys, interviews with clothing store attendants and seminars with designers from various parts of China.

"We pay attention to popular demand and gear our fashions to the practical needs of people," says Xu. "The fashion industry in the West pays attention to profit."

Lest anyone forget who really sets style in China, the authorities in Beijing launched a campaign against "spiritual pollution" this winter that started to get downright unfashionable.

Although the crackdown was directed at ideological lapses, it quickly spread to the world of fashion. Beijing municipality banned "bizarre" dress, long hair and "unwholesome" ornaments among its workers. Men were harassed for donning Western suits. Garment factories and shops dropped new products. A zealous tailor refused to cut modern styles.

Then the authorities put on the brakes. When General Secretary Hu Yaobang met

privately with media officials to set limits on the campaign, he came in a Western suit and tie to drive home his point, Chinese sources said.

"Ideology is ideology, fashion is fashion," says Xu. "We've studied our documents and found no problem with people trying to look good."

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A relatively snappy Chinese dresser with camera and two comrades, one of them in army fatigues and cap.

Rewinding 50 Years

by Hans Fantel

LUDWIGSHAFEN, West Germany—There were proper celebrations last month in the Rhineland city of Ludwigshafen, where the first workable recording tape was produced just 50 years ago by BASF, Germany's largest chemical concern.

Among the guests at these festivities was Heinz Thiele, a sprightly gentleman and eminent engineer, whose memory and researches reach back to the beginnings of tape recording.

One name running consistently through Thiele's reminiscences was that of Fritz Pfeumer, an elusive person whom little is known and who—by his penchant for privacy and remaining in the background—might easily have escaped recognition as the inventor of recording tape.

Pfeumer, it seems, was something of a free spirit who supported himself by selling his ample stock of brilliant ideas as an industrial consultant. A native Viennese, he had gone to Dresden to help out a cigarette company with a problem. Gold-tipped cigarettes were all the rage in the 1920s, but the bronze powder forming the "gold" tip kept coming off people's lips. Fritz Pfeumer found a way to keep smokers unglued. He imbedded the metal particles in a plastic binder instead of merely dispersing the metal in the cigarette paper, as had been done before.

Another problem was that the cigarettes had to be placed in their box with all the tips at the top. Pfeumer automated the inspection process by magnetizing the metallized tips so they could be electromagnetically scanned to verify their position—a bold idea for its day.

As it happened, Pfeumer was fond of music—a devotee of the famous Dresden Opera—and dissatisfied with the hoarse and scratchy phonographs of that period. Applying his inventive imagination to the question of sound recording, it struck him that his cigarette technology—the electrical sensing of magnetized particles imbedded in plastic—might lead itself to the registration of audio signals. By making a magnetic ribbon, similar to that used for his cigarette mouthpieces, he expected to create a sound-recording medium superior to the wax disks in common use at the time.

After fending off this notion with a ring of patents, Pfeumer entrusted its further development to AEG, a large electrical company in Berlin, which he thought had the resources to overcome the difficulties he himself had encountered in transforming his idea into a practical tape recorder. As it turned out, AEG had no more luck than Pfeumer himself in broadening the narrow frequency range and lessening the obtrusive noise of the first experimental models. The project might have ended in the dustbin right there, if the president of AEG had not belonged to the same hunting

club as Dr. F. Gauss, a leading chemist of the Badische Anilin-und Soda-Fabrik, a name that seemed long even to Germans, who later settled for just the initials—BASF.

Stalking waterfowl in the marshes of the Spree, the two scientists pondered the problem. Eventually, Gauss voiced a hunch. Thinking as a physical chemist (rather than as an electronics engineer), he didn't blame the recorder for the persistent trouble. He surmised that the iron filings used as magnetic particles were simply too big to accommodate the small waveforms of the higher audio frequencies and too irregular in shape to assure a quiet background. Instead of filing the iron, he suggested thinking as an electronic engineer, he didn't blame the recorder for the persistent trouble. He surmised that the iron filings used as magnetic particles were simply too big to accommodate the small waveforms of the higher audio frequencies and too irregular in shape to assure a quiet background. Instead of filing the iron, he suggested thinking as an electronic engineer, he didn't blame the recorder for the persistent trouble. 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TRAVEL

Following Goya Through Madrid

by Kathy White

MADRID — The giant mask leers and beckons. For the carnival-goers the last drunken spree will wind and dance its way through the night to culminate in the "burial of the sardine." Who but Francisco Goya, sarcastic and vehement witness of his times, would have immortalized the burlesque funeral procession in his "Entierro de la Sardina"? Even here, in one of the master's lighter compositions, the devil lurks behind the painted faces and grinning masks.

The rowdy crowd re-enacts the legend of Don Carnal's last orgy of food, drink and merrymaking. His tired armies are vanquished by the stalwart forces of Doña Cuaresma, Lady Lent. In the early hours of Ash Wednesday (March 7) this yearland compelled to do penance.

Carnival, a popular *madrileño* tradition going back to medieval times, was banned during the Spanish Civil War and revived only recently. Visitors to Madrid March 6 can participate in the mock procession, which now incorporates a huge papier-mâché sardine but Goya's painting can be searched in vain for any sign of a fish.

The "Entierro de la Sardina" and 13 other Goya paintings are enhanced by a new presentation at Madrid's Museo de la Real Academia de Bellas Artes de San Fernando. In 1974, the 18th-century fine arts building was closed for extensive remodeling, and the Goyas and some of the more important works were put on show at the Biblioteca Nacional. The paintings will soon be on view to the public in their original setting in a well-spaced display, with good lighting, making the visit a worthwhile side trip to the Prado.

The Bellas Artes collection now has two self-portraits by Goya. One is a well-known portrait of the artist in his 60s, similar to one in the Prado, the other a recent and much-prized

acquisition showing Goya in his 40s. Other portraits by Goya of leading contemporary figures include a reclining Manuel de Godoy, the all-powerful minister of Charles IV, which seems to draw force by comparison with three other portraits of Godoy, the *príncipe de la Paz*, by minor artists. There is also a dark-haired lady in rusting silk robes, "La Titana," she was married to a well-known actor called *El Titano* (tyrant). A village bullfight, a madhouse, procession of penitents and scene from the Inquisition constitute a remarkable ensemble.

The museum's first floor purports to review the works of Fine Arts Academy members, but a few earlier masters and major figures have been included. A couple of lovely Velázquez portraits and a unique grouping of five magnificent monks in white robes by the 17th-century painter Zurbarán await the visitor beyond the Goya room. Of the later academicians, the 19th-century artist Martínez Cubells deserves a special mention for having transposed the 14 paintings on the walls of Goya's house onto canvas, thus preserving the so-called "Black Paintings" now in the Prado.

From here you can follow the carnival route to the Manzanares River, where Goya painted the popular feasts and found the typical Madrid landscape for his portraits and country scenes.

The country around here was once the city limits, and the area bears witness to the bloody upheavals during Napoleon's campaign in Spain. The road curving down from the rose gardens of the Parque del Oeste leads past the Escuela Nacional de Cerámica. Next to the school, a ceramic headstone in a small overgrown garden with cypress trees marks the mass grave of those massacred by Napoleon's troops on May 3, 1808. Goya apparently witnessed the mass execution from his house across the river and later went to sketch the horrific scene. It was to become his "Fusilamientos," exuding the same spirit of revolt and

anguish as Picasso's "Guernica" more than a century later.

Farther down the road, across the railroad tracks, two small, identical neoclassical churches stand away from the river. One of them, now converted into a museum, is Goya's final resting place. No admirer of the artist can fail to visit San Antonio de la Florida (1789), not only to pay homage to Goya but for the superb frescoes.

Beggars, prophets, hags, *mujas* or young women, street urchins, noblemen cover the cupola, hardly 6 meters (20 feet) in diameter, in an amazing array of 50 figures typical of Goya's repertory. The scene depicts the moment St. Anthony of Padua raises a corpse from the dead to prove his own father innocent of murder.

Goya breaks away from the tradition of religious fresco painting, with its clouds and cherubim, and paints what could be a scene from a village square. One Spanish biographer disparagingly refers to the frescoes as "a spectacle of traveling acrobats." Goya, a painter of movement, catches the figures in characteristic gestures, concocting a curious mixture of individual expressions: the supplicant, the ecstatic, the frightened, the indifferent.

Lovely-limbed angels — more like sensual *mujas* than the androgynous creatures angels are supposed to be — decorate the walls of the church. Dressed in flowing robes, they pull aside heavy curtains of gold and silk to reveal the spectacle above.

Some figures are no more than a few violent brushstrokes. In an earlier attempt at the Pilar basilica in Zaragoza, the use of this technique caused a terrible dispute and left a bitter memory. Goya was criticized for the "unfinished look" of his work, and had to retouch the frescoes. By the time he painted San Antonio de la Florida, however, the artist was at the height of his reputation and art.

The church eventually came under the care

of the San Fernando academy. It was closed to services to preserve the frescoes, and an identical church built alongside. Goya died in Bordeaux in 1828, but his remains were brought to the church only in 1919. By a macabre twist of fate, the head of this master of the grotesque was found to be missing.

During the Civil War, San Antonio de la Florida found itself in no man's land and served as an occasional camping ground for passing soldiers. It miraculously survived the war undamaged and was later restored.

The turn-of-the-century *merenderos*, or riverside eating houses, have slowly disappeared.

Only Casa Mingo, next to San Antonio, still draws the Sunday crowds for roast chicken and cider.

For the real believers, an ancient tree, supposedly the one in the "Entierro de la Sardina," stands on the other side of the river, surrounded by neat rows of suburban residences. The San Antonio guardian willingly provides directions.

Oh yes, and why bury a sardine? Probably a curious deviation from an earlier custom of burying a pig before Lent. As inexplicable as Goya's more obscure fantasies.

Real Academia de Bellas Artes de San Fernando, Alcalá 13 (tel: 232-1543). The section with the Goyas is due to open by the end of May, the Flemish painters in 1985.

Ermita de San Antonio de la Florida, Paseo de la Florida (tel: 247-7921), open July through September, 10 A.M.-1 P.M. and 4-7 P.M., rest of the year 11 A.M.-1:30 P.M., 3-6 P.M., Sundays and holidays 11 A.M.-1:30 P.M., closed Wednesdays.

Museo Lázaro Galdiano, Serrano 122 (tel: 261-6084) also has some Goyas, not very clearly marked. Tuesday through Sunday 10 A.M.-2 P.M. Closed Mondays, some holidays and August.

Sept. 6 has been designated as a special day for Goya in Madrid, with bus tours and a Goya tribute and itinerary.



Goya's "Entierro de la Sardina."

MARCH CALENDAR

AUSTRIA

VIENNA. Bösendorfer Hall (tel: 65.55.51).

CONCERT — March 16: Ensemble Harmonia Nova and Christine Achberger (Utopia and Music).

RECITALS — March 1: Ingrid Hendrich piano (Schumann, Rachmaninoff, Debussy).

March 7: Imre Rohmann piano (Haydn, Chopin, Schumann).

March 8: Gerhard Panzenböck tenor, Martin Sieghart piano (Schubert).

March 13: Inge Myrhofer, Raimund Langner piano (Bach, Schubert, Busoni, Reyer).

March 14: Robert Earl clarinet, Nathaniel Harrison bassoon, Glenn Dene piano (Clinic Saint-Saëns, Berg, Poulet, Mendelssohn).

March 20: Irma Poretschko piano (Beethoven, Schumann, Chopin).

March 21: Erika Tori harpsichord (Bach, Couperin, Rameau, Mozart).

March 23-24: International Piano Mastersclass.

*Konzerthaus (tel: 72.12.11).

CONCERTS — March 1: Berlin Symphony Orchestra, Hans-Peter Frank conductor (Hindemith, Bruckner).

March 22: Vienna Symphony Orchestra, Vienna Song Academy, Wolfgang Scheidt conductor (Hindemith, Bruckner).

*Museum Moderner Kunst (tel: 78.25.50).

EXHIBITION — March 1-31: "Helmut Schoeber: Interludes."

*Staatsoper (tel: 532.40).

BALLET — March 18 and 21: "Swan Lake" (Tchaikovsky).

OPERA — March 17: "Arabella" (R. Strauss).

March 20: Irma Poretschko piano (Beethoven, Schumann, Chopin).

March 21: "Die Entführung aus dem Serail" (Mozart).

#Palais des Beaux-Arts (tel: 512.50.45).

CONCERTS — March 3: National Opera Symphony Orchestra, Dunja Gacic mezzo-soprano, Sylvain Cossmann conductor (Debussy, Berlioz, Stravinsky).

March 7: Rotterdams Philharmonic Orchestra, Yuriko Horigome violin, Edo de Waart conductor (Mozart, Paganini, Mendelssohn).

March 16 and 18: Belgian National Orchestra, Steven de Groote piano, Georges Octors conductor (Beethoven).

*Parc des Expositions (tel: 427.42.50).

March 24-April 1: International tourism and leisure show.

GHEENT, Koninklijke Opera (tel: 25.24.25).

OPERA — March 2, 4, 10: "Arabella" (R. Strauss).

March 23, 25, 31: "Die Entführung aus dem Serail" (Mozart).

DENMARK

COPENHAGEN, Odd-Fellow Palæet (tel: 11.27.22).

RECITAL — March 5: Julian Bream guitar.

March 14: Robert Earle clarinet, Nathaniel Harrison bassoon, Glenn Dene piano (Clinic Saint-Saëns, Berg, Poulet, Mendelssohn).

March 22: Vienna Symphony Orchestra, Vienna Song Academy, Wolfgang Scheidt conductor (Hindemith, Bruckner).

*Museum Moderner Kunst (tel: 78.25.50).

EXHIBITION — March 1-31: "Helmut Schoeber: Interludes."

*Staatsoper (tel: 532.40).

BALLET — March 18 and 21: "Swan Lake" (Tchaikovsky).

OPERA — March 17: "Tosca" (Puccini).

March 20: "Music by Carl Nielsen" Radio Light Orchestra, Radio Chamber Choir, John Frandsen conductor.

*Tivoli Hall (tel: 15.10.12).

BALLET — March 16: "The Leaves Are Falling" (Dvorák/Tudor).

ENGLAND

LONDON, Barbican Centre (tel: 628.87.95).

Barbican Art Gallery — To April 1: "American Folk Art: Expressions of a New Spirit."

Barbican Hall — March 1: City of London Sinfonia (Haydn, Elgar, Bach).

March 2: London Symphony Orchestra, Bruno Weil conductor (Beethoven).

March 3: London Symphony Orchestra, Richard Hickox conductor (Borodin, Tchaikovsky, Holst).

March 4: Royal Philharmonic Orchestra.

March 11: "The Genius of Venice: 1500-1800."

March 24-May 27: "The Orientalists: Delacroix to Matisse."

Royal Opera House (tel: 240.10.66).

Royal Ballet — March 2, 10, 12: "Swan Lake" (Tchaikovsky).

March 2, 17, 20: "You Can't Take it with You" (Kaufman).

March 13-14, 21-31: "Master Harold and the Boys" (Fugard).

Oliver Theatre — March 1-8: "Tales from Hollywood" (Hampton).

March 9-12, 22-24: "The Rivals" (Sheridan).

March 13-15, 19-21, 26-28: "Saint Joan" (Shaw).

March 16-17, 29-31: "Jean Seberg" (Hannigan).

Royal Academy of Arts (tel: 734.90.52).

EXHIBITION — March 9-18: "The Stowell's Trophy Exhibition."

To March 11: "The Genius of Venice: 1500-1800."

March 24-May 27: "The Orientalists: Delacroix to Matisse."

Royal Open House (tel: 240.10.66).

Royal Ballet — March 2, 10, 12: "Swan Lake" (Tchaikovsky).

March 21, 23, 25-27: "L'Après-midi d'un faune" (Debussy).

March 21-23, 25-27: "Les Noces" (Stravinsky).

Royal Opera — March 3: "La Bohème" (Puccini).

March 5, 14, 17, 20: "Peter Grimes" (Britten).

Shaw Theatre (tel: 338.13.94).

CONCERT — March 18: Divertimenti.

EXHIBITION — To May 15: "L'Empire du Bushido 1900-1930."

March 1: Louis XVI French Silver.

March 8: Architecture and interior decoration in the 19th century.

March 15: Directorio furniture.

March 22: Cho-Liang Lin violin, Sandra Rivers piano (Beethoven, R. Strauss, Stravinsky).

EXHIBITION — To March 11: "Fan Tschun-Pi: Contemporary Chinese Artist."

*Musée du Grand Palais (tel: 589.63.71).

EXHIBITIONS — March 3-April 26:

"Patricia Meyerowitz: A Retrospective."

EXHIBITION — March 15-June 11: "Masterpieces of the American Painting 1760-1910."

EXHIBITION — To May 2: "Bill Brandt: Literary Britain."

*Musée du Louvre (tel: 260.39.26).

EXHIBITION — To April 2: "New Additions to Department of Painting 1980-1982."

*Musée du Petit Palais (tel: 265.12.73).

TRAVEL

What's Doing in Montreal

by Douglas Martin

MONTREAL — Montreal often seems a city made for spring. The mind easily wanders ahead to the flowers that blossom on Mount Royal, to the sidewalk cafés on Rue St. Denis, to the smiles of some of the most stylish men and women in North America. The winters — featuring perhaps more snow than any other major metropolis in the world as well as subzero temperatures and treacherously slippery streets — thus tend to be viewed as simply a necessary passage to May.

It is surprising to many visitors that Montreal does not choose the seemingly sensible option of hibernation. Far from it. During the 19th century, there were said to be more sleighs in this city than anywhere outside St. Petersburg, and towering ice palaces, made from thousands of blocks of ice, were the order of the day. Such charm persists. The slopes of Mount Royal, in the center of the city, are covered with downhill skiers, tobogganers and, still, the occasional sleigh. On Beaver Lake near the top of the mountain, hundreds of skaters glide across the ice.

The city, with its mix of English, French and growing numbers of other nationalities, has the quality of European life, and the people are remarkably friendly. After years of what amounts to collective psychoanalysis, the French and English of Quebec appear increasingly near resolving their bitter linguistic and cultural battles. In the knowledge that the French language is now firmly protected, young French people have reached the point where they feel confident enough to wear "Anglo" T-shirts, the latest fad.

There exists a certain sensible view that only the willless venture into Montreal's piercing winter winds, and it is possible never to go outdoors. Using underground tunnels, the superb Métro system, aerial passages and the like, the visitor can shop in more than 1,000 boutiques, visit eight hotels and 100 restaurants and bars without going outside. Given the absence of external landmarks, it can become confusing, but once one gets the knack of finding the way, it is possible for even the road to culture to be completely indoors. The so-called Montreal Underground — much of which is above ground — leads to a dozen cinemas, two theaters and several art galleries.

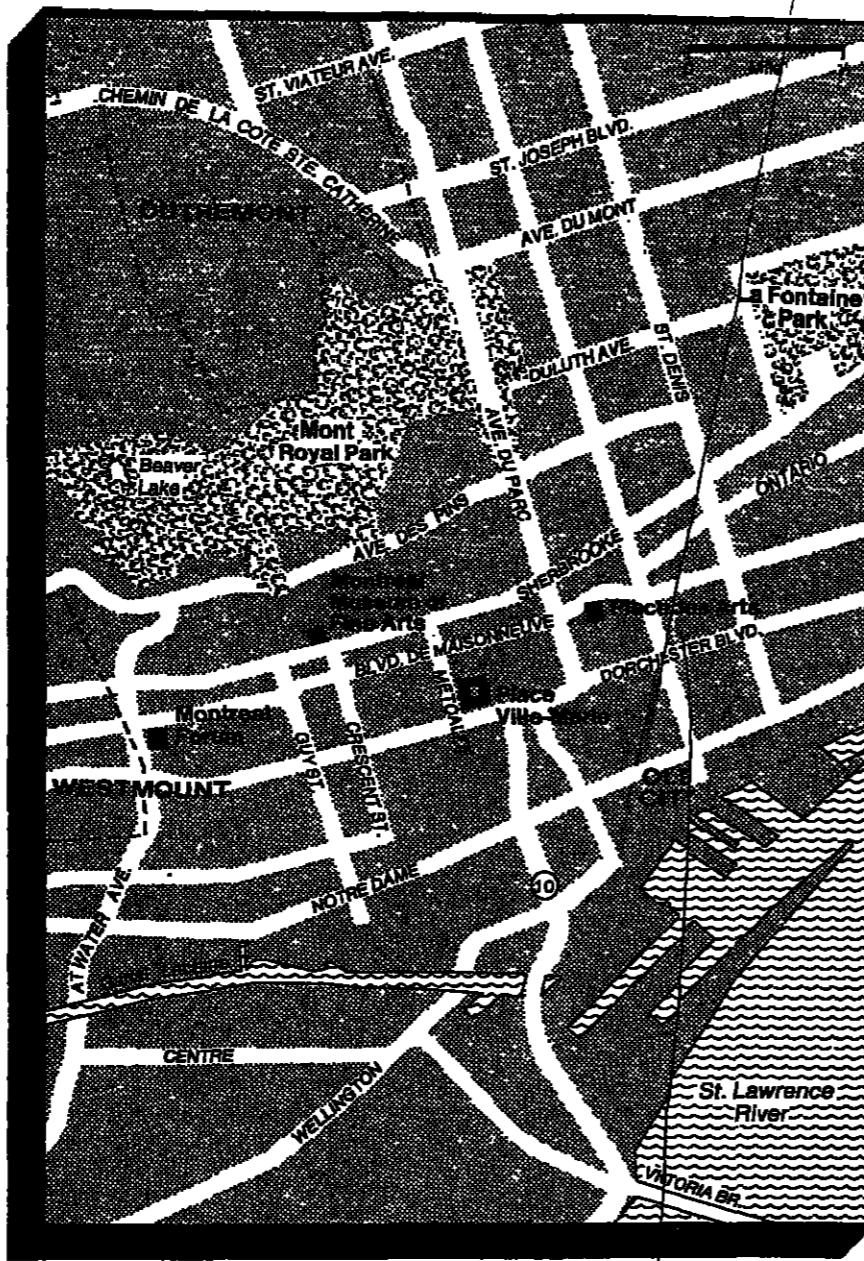
A good place to start is the historic Montreal Forum, where ice hockey's legendary Canadians defined for the world the meaning of a sports dynasty. Even though things aren't going so well for the team these days, it is still fun to watch fathers proudly point out yesterday's stars in aging team photographs in the corridors, to munch a hot dog and even to enjoy a cocktail at your seat. When the Canadiens win, you can hear the crowd count down the final seconds in both French and English. Games are usually played Wednesdays and Saturdays.

If you'd rather play sports than watch them, you can skate at ponds and lagoons in parks throughout the city, or on the pool in the Olympic Park where the rowing events of the 1976 Olympics were held. There are two small kites on Mount Royal, perhaps for those student souls unwilling to put too much distance between themselves and the smart Crescent Street bars by venturing into the country. Visitors can rent snowshoes, cross-country skis and skates for a few dollars. Daredevils can rent a one-speed (very fast) bicycle at the Olympic Velodrome and experience the thrill of being almost horizontal at 22 miles (35 kilometers) per hour. For those seeking just the unusual, the Westin Bonaventure Hotel offers heated rooftop pool where you can swim comfortably in subzero weather.

The Montreal Symphony Orchestra, conducted by Charles Dutoit, is considered one of the best in the world. Its programs include Dutoit conducting Tchaikovsky's "Capriccio Italien" on Feb. 28 and 29 and the pianist Alicia de Larrocha playing Mozart and Beethoven on March 20.

Les Grands Ballets Canadiens will present a program on March 15, 16 and 17 featuring "Serenade," with choreography by George Balanchine, and another on March 29, 30 and 31 that includes the world premiere of a new work by James Kudelka to the music of Brahms.

The Montreal Bed & Breakfast League was organized in 1980 to give visitors an opportunity to become better acquainted with Montrealers by sharing their homes and their neighborhoods. Rates vary from \$25 to 40 Canadian dollars (\$20 to \$32 U.S.; all figures given subsequently are in Canadian dollars) for single occupancy, \$35 to \$50 double. The higher rates are for rooms in special locations or with



The New York Times

special amenities. To become a member, one must fill out an application form and submit it with a deposit of \$25, or \$50 if the stay is for longer than three nights. The forms can be obtained from Montreal Bed & Breakfast, 5020 St. Kevin, Suite 8, Montreal, Quebec H3W 1P4 (tel: 514-735-7493).

Among hotels, the grand old Ritz Carlton (1228 Sherbrooke Street West; tel: 327-0200 for reservations), offers a special weekend rate, Friday evening until Sunday, for \$92 a person double occupancy. Price includes two tickets to the Montreal Museum of Fine Arts, two free drinks in the house bar and two \$10 credit notes for dinner in the hotel's restaurant. (Tea time is an institution at the Ritz Carlton every afternoon.) The Queen Elizabeth (900 Dorchester Boulevard West; tel: 223-4869), the biggest hotel in town, offers rates for any two days of the week for \$79 a person double. An American breakfast and newspaper in the coffee shop are included. At the Four Seasons Hotel (1050 Sherbrooke Street West; tel: 828-1188) there's a weekend rate of \$80 a person for two nights, single or double.

A Friday-to-Sunday stay at the Ramada Inn Downtown (1007 Guy Street; tel: 228-2828) costs \$50 a person, double occupancy. Or, with an arrival on any day, two nights and three days are available for \$66 a person, double, including newspaper and orange juice delivered to room, two breakfasts, indoor parking and sauna access.

Information on accommodations as well as other travel details are available from the Montreal tourist office — Office des Congrès et du Tourisme du Grand Montréal, 174 Notre Dame Street East, Montreal, Quebec H2Y 1B3 Canada (tel: 871-1595). Advice is also obtainable at the Quebec office, Maison du Tourisme, 2 Place Ville-Marie, Suite 70, Montreal, Quebec H3B 2C9 (tel: 873-2015).

It is hard to eat badly in Montreal, no matter what one's tastes. Naturally, the menu begins with the grande cuisine of such elegant French restaurants as Les Halles and Les Chenets, serving classical French meals. At Les Halles, 1450 Crescent Street (tel: 844-2328), where dinner for two will cost from \$75 to \$100, the wide range of offerings runs from sweetbreads in rich sauces to rabbit with Calvados. Reservations are necessary. Les Chenets

2075 Bishop Street (tel: 844-1842), has three specialties: a combination plate of poached fillet of salmon with a white butter sauce and fillet of halibut with a hollandaise sauce; pheasant with white wine sauce and morels; and half a jumbo lobster stuffed with mixed vegetables ala mayonnaise. Dinner: about \$60 for two without wine. Wine prices begin at \$18.50 a bottle.

Another good choice is Altitude 737, Place Ville-Marie (tel: 861-1511), which is perched on one of the city's tallest office buildings and offers a dazzling view dinner for two, \$50 to \$75. The Sunday brunch, including lobster, is good value at \$14.75. Strolling musicians will sing "Happy Birthday" in seemingly any language at Troika, 271 Crescent Street (tel: 849-9333), where the specialties include chicken Kiev and caviar omelets. About \$60 for two. Ben's Delicatessen, 90 De Maisonneuve West at Metcalfe, is bright and always crowded. The favorite offering is Montreal smoked meat, best washed down with a cherry coke. Under \$5.

Among the surprises is Geronimo's, 443 St. François Xavier (tel: 342-0008) in the Old City, which offers American Indian food, from buffalo dishes to quail. About \$50 for two.

The culinary offerings of the thriving Jewish community include Sufi brunch at Beauty's, with massive glasses of orange juice and enormous mushroom and onion omelets. It is one of the town's eats along with the smoked meat made on the premises. A midnight trip to the Bagel Factory (74 Fairmount Street, to buy a dozen hot sesame seed bagels may turn into a long, early morning conversation.

Many travelers couple a visit to Montreal's cultural and culinary attractions with a ski trip to the nearby Laurentian Mountains, just an hour away. This year the quality of the snow is said to be the best in memory, and by late January the had already been more of the stuff than in the previous three winters combined. Sefyl packages, including one offered by the co-op Auberge Coq de la Montagne near Mont Tremblant, offer hotel, meals and lift tickets. Information on ski packages is available at the Quebec Tourist Office in Montreal.

1984 The New York Times

Art and the Artful Fake

Continued from page 7

best would be forever beyond their reach, and concentrate instead on buying reproductions of accredited masterpieces. Why should the public be fooled off with minor originals, that is to say, when they could be looking at impeccable reproductions of Raphael, Rembrandt and Matisse?

In point of fact, what Benjamin said was the exact opposite of the truth. So far from reaching perfection, reproductions have never been less able to satisfy an informed observer. The "better" they are, the worse they are. Hundreds of dollars are charged today for greasy and illegible "facsimiles" of Cubist painting that give a wholly misleading idea of the original, whereas at the Phillips Gallery in Washington (to name one example only), \$20 or less will buy a plausibly non-nonsense reproduction that has at least something of authenticity about it.

In this matter, fallacies are like weeds. Possessed of a phenomenal destructive energy, they are no sooner disproven than they turn up again. There are still people who believe not only that no one can tell the difference between a fake and an original, but that there is really no difference between the one and the other. As they see it, copy and original, "facsimile" and fake, reproduction and autograph are interchangeable.

It is a point of view in which a goofy, incomprehending populism allies itself unwillingly with criminality, and a panoramic illiteracy takes its tune from a celebrated but ridiculous essay by the German critic Walter Benjamin. Though in many another context a man of inspired insights, Benjamin argued in the 1930s that thanks to the unprecedented high quality of modern methods of mechanical reproduction, the original work of art had lost its old primacy and could legitimately be destroyed. It was within our grasp, in other words, that the same painting could be in 500 places at once.

This argument found degraded expression last year in an article — for which the so-called "research" was funded by the Twentieth Century Fund — in Harper's magazine. Entitled "Let Them See Fakes: A Better Way To Bring Art to the People," the article in question started from a standpoint of total ignorance and went rapidly backward from there. Its argument was that regional museums should give over buying original works of art, since the

recrecience of faking on the grand scale. Faking by no means come to an end. Some fakes by no means despicable — witness the Boboli-esque "Madonna and Child" that might have passed muster in our own time had not scientific analysis revealed that both the pigments and the wooden panel that supports them were made in the 19th century.

It can surprise no one that fakes of one kind or other are on offer in every big city in the world. Those who wish to unload those fakes do so by any means they can. Those who attempted to buy should be on their guard. You can walk out of some galleries with a fake, as you can drive away from some used-car dealers and have the car blow up at the next intersection. But this is a grown-up world. More known about works of art than was ever known before. No one who doesn't want to do so has any business getting into the half-world of the fake.

That half-world will always exist. Hardly had Claes Oldenburg produced in 1966 a sculpture of a baked potato spattered with chives than some rascal began to fake it. Between the true bake and the fake bake, battle raged until every connoisseur on the block could tell them apart. Given the multiplicity of art in the 1980s, and the high prices commanded by much of it, faking is not likely to die out. But the good news is that the vibration of the best new art is not easily duplicated. A fake Miró, a fake Bacon, a fake Dubuffet, a fake Johns — these are soon detected.

And just in case you think that you might get in over your head, please bear in mind what Walter Sickert said some 50 or 60 years ago, when he was the best painter in England. Someone who liked his work bought a painting that was said to be a Sickert. When he got home, he panicked, sent Sickert a photograph of it and asked for an immediate reply. Was it by him, or was it not? Sickert telegraphed within the hour: NO BUT NONE THE WORSE FOR THAT.

1984 The New York Times

The Taste of the Algarve

by Paul Lewis

PORTIMAO, Portugal — Along Portugal's Algarve coast is found a dish that may have been inspired by Arab alchemists centuries ago striving to turn base metals into gold. The dish, like the special cooking vessel used to prepare it, is called *cataplana*. It is a stew of clams, pork, vegetables and spices steamed in a handmade, air-tight copper pot that resembles a football cut in half but hinged on one side. The *cataplana* thus appears to be the ancestor of the pressure cooker.

The neighboring Spanish have long known that meat and shellfish make a good combination, as paella shows. And in Morocco, only a short boat trip away from southern Portugal, meat and vegetables are regularly prepared in a globelike earthenware pot with a chimney that allows the steam to escape.

Only in the Algarve are shellfish and pork cooked together in a snugly sealed metal container. The result is a delicious, slightly sweet-tasting stew that is served in local restaurants all along the coast. It is the true specialty of the region, and one no discerning visitor should forgo.

Armando Quaresma Rijo, owner of the O Bicho restaurant in Portimão and one of the best *cataplana* cooks in the Algarve, recalls that his grandfather took a *cataplana* with him on hunting trips and sometimes substituted rabbit for pork.

Part of the reason the *cataplana* is found only in the Algarve is probably that until quite recently communications with the rest of the country were poor. Before the proclamation of the republic in 1910, the Algarve was considered so remote that it was treated as a separate kingdom under the Portuguese crown.

The Algarve was also ruled by the Moors for more than 600 years until they were expelled in 1249; the Moorish influence is still discernible today in the architecture of the region, in the traditional dress of many rural women who are shrouded in black veils against the sun, and even in the reputation its people enjoy of being nominal Christians, much given to superstition.

But during the long period of Moorish rule, the Algarve was a noted intellectual center, known especially for alchemy and liberal Islamic thought. In the cities of Faro and Silves, 12th-century Islamic scholars, called Sufi masters, stressed the similarities between Christianity, Judaism and Islam, and tried to define the common threads linking them.

Another possible clue to the *cataplana*'s origins is that to this day the two kinds of clams most frequently used are known by local people as *crisadas e judeus*, Christians and Jews: The former are larger and found in sand washed from the sea while the latter, smaller, more plentiful variety comes from the muddy estuaries of rivers.

Lima de Freitas, a distinguished Portuguese painter and long-time Algarve resident who is knowledgeable about magic, speculates that the *cataplana* may have been inspired by the experiments of the freethinking medieval Arab alchemists who heated base metals in a retort, trying vainly to turn them into gold. Cooking, after all, he says, is itself a kind of alchemy, using heat to change the nature of basic substances and turn them into something more valuable and life-sustaining.

Even the idea of mixing fish and meat, de Freitas points out, recalls the interest the Algarve's medieval Arab scholars showed in finding a compromise between the great religions of their day, as does the habit of naming the clams Christians and Jews. Although the word *cataplana* has no evident meaning in Portuguese, some scholars think it could be derived from an old word meaning forge.

Two of the best places to eat an authentic *cataplana* are the O Bicho (in the Largo Gil Eanes), already mentioned, and another restaurant, also in Portimão, called the Escondidinho (just off the main square), which has blue tiled benches depicting scenes from Portuguese history.

Both restaurants are rather rough and ready: large, noisy, poorly lit places with functional furniture, paper tablecloths and little decoration. There is even a family connection between them. Rijo, the owner of O Bicho, started out as a waiter in the Escondidinho and married the daughter of one of the owners.

Both O Bicho and Escondidinho serve a first-rate *cataplana*, brought piping hot to the table and unsealed with a hiss of escaping steam in front of you. Inside, surrounded by a sea of rich gravy juices, is a mound of hot clams mixed up with shreds of pork and smoked ham and slices of green pepper and tomato. (Make sure each clam has opened a little before you eat it, otherwise it may be bad, and don't be afraid to scoop up the gravy with the spoon provided.)

To accompany the meal, order a bottle of *vinho verde*, the mildly sparkling white wine from northern Portugal and the local Monchique mineral water that the ancient Romans admired. Expect to spend 400 escudos (about \$3) a person for *cataplana*, and 250 escudos a bottle for the *vinho verde*.

If you enjoy *cataplana*, think about preparing one yourself at home. This means a visit to the small town of Loulé in the hills a bit back from the sea and about halfway between Portimão and Faro, where the best *cataplana* dishes are made.

The town is famous for its brass smiths, mostly congregated on the Rua da Barba near the remains of the old town walls. At Caldeiraria Louletana 28 visitors can watch craftsmen hammering out the dishes by hand. A medium-sized *cataplana*, big enough for preparing portions for two or three people, costs about 4,000 escudos.

The following directions for preparing a *cataplana* were written down while watching Rijo prepare a *cataplana* for six people at his home outside Portimão:

CATAPLANA

50 to 60 fresh clams

1½ pounds cubed pork

White wine

Lard

Bay leaf

Garlic

Hot red pepper

Salt to taste

Margarine

1 green pepper

1 tomato

10 slices of presunto or ham

Parsley

Lemon juice

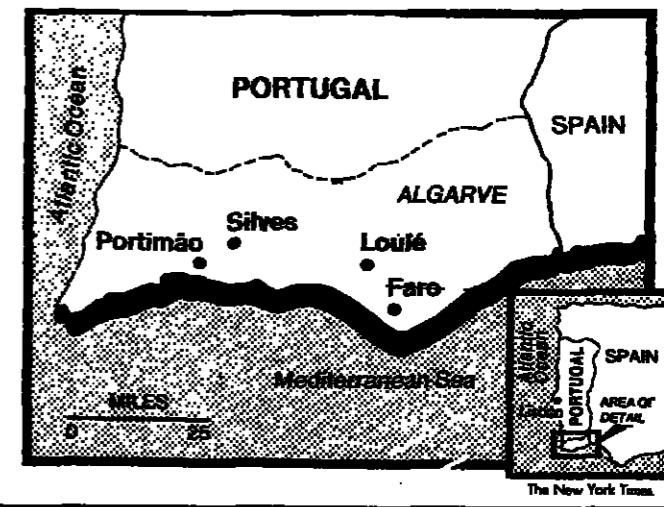
1. Soak the fresh clams (about 8 to 10 a serving) for two hours in seawater, to remove all traces of sand.

2. Fry about 1½ pounds of cubed pork that has been marinated in white wine, adding lard, garlic, a bay leaf, a sprinkling of hot red pepper and some salt. Add more white wine to the pork while it is frying.

3. Grease both halves of the interior of the *cataplana* with margarine. Put the clams into the dish first, then the fried pork. Add half a big green pepper and a tomato, each sliced very thin. Then add about 10 slices of presunto or other ham (bacon can also be substituted), and a handful of small pieces of cooked ham and plenty of parsley, with a little salt and some water.4. Tightly close the two halves of the *cataplana*, using the pin and the clips on the outside to get a snug fit. Then place the closed dish on a gas or electric burner for 10 minutes. Just before the 10 minutes are up, open the *cataplana*, add lemon juice and close it again for a minute or two. Remove the *cataplana* from the stove and open it at the table.

Serve in soup bowls with plenty of fresh, crusty bread for soaking up the juices.

1984 The New York Times



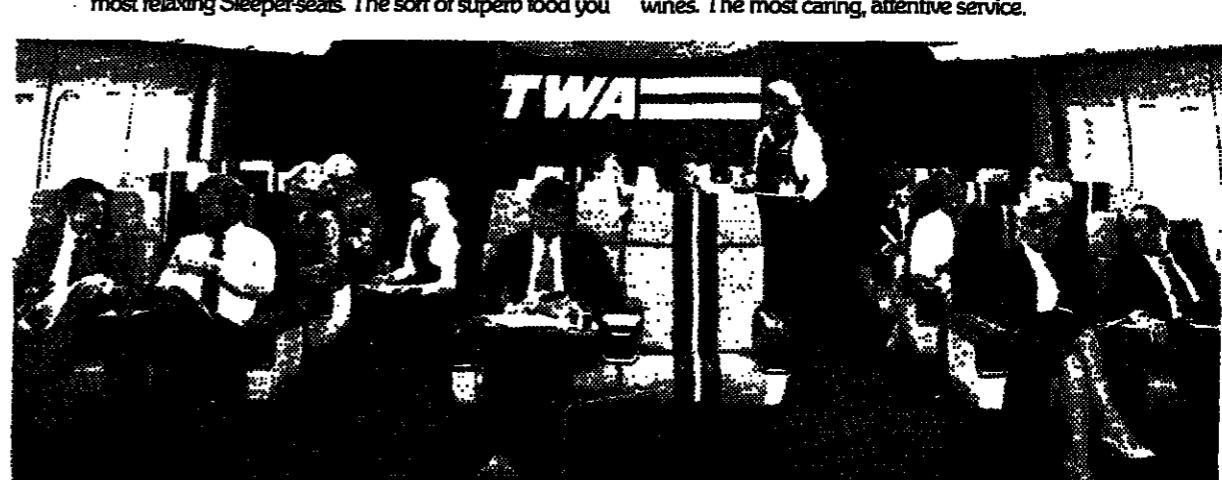
Best up front.



TWA Royal Ambassador Service in first class offers more than First Class.

Can any airline offer better than First Class? TWA can with its Royal Ambassador Service. The world's most relaxing Sleepers seats. The sort of superb food you

only expect in first class restaurants, and as elegantly served. A unique selection of fine French and Californian wines. The most caring, attentive service.



BUSINESS/FINANCE

FRIDAY, FEBRUARY 24, 1984

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TECHNOLOGY

Computer Firms Hunting Ways to Link Components

By DAVID E. SANGER
New York Times Service

NEW YORK — Most major computer makers deny they are in the computer business any more. Instead, they profess to be leaders in the "systems business," selling "system solutions" that insure that customers will not be left with a bunch of disparate components, unable to communicate with one another.

Despite the reassuring words, however, the most promising systems for tying the hottest-selling desktop and personal computers into truly efficient "networks" are still on the electronic drawing board.

"It's one thing to provide people with the wires, the connectors and the jacks," said Dixon Doll, president of the DMW Group, a telecommunications consulting firm in Ann Arbor, Michigan. "People are just beginning to realize that these systems require a much higher level of coordination," especially if a whole raft of popular computers — Wang word processors, Apple computers and IBM PCs for example — can all communicate.

Communication in the office was rarely a problem when companies relied almost exclusively on some large mainframe computer, buried in the basement. Workers needing the computer worked at terminals — machines with no computational power of their own — and shared the power of the central system. But only a limited number of terminals can be hooked up to a central processor, and when demand is at a peak, the response time of the main computer can slow tremendously.

Microcomputers, however, can fend for themselves. They are more flexible, less expensive, and because they usually serve only one user, they are quick. But manufacturers have realized that they must be able to share documents, electronic spreadsheets and other information without resorting to a central computer to act as "traffic cop."

Thus there developed a need for "local area networks," the industry's less-than-graceful term for communications systems that link desktop computers with nearby printers and other equipment. The first in the race was Xerox, which in 1980 agreed on standards for its Ethernet system with Digital Equipment Corp. and Intel Corp. It licensed more than 100 other companies to make Ethernet-compatible equipment.

While specific characteristics of those systems vary, they operate on the same principle: The computers are linked by a central "pipeline," and each can shoot a message — in a "packet" that is best envisioned as a tennis ball — to any other computer in the network. If one tennis ball collides with another, they both retreat to their point of origin, to be shot out again at a random time.

Xerox says more than 5,000 Ethernet systems have already been installed. "It was a good idea, but it has its limitations," said Douglas Wilson, the manager of system operations for Project Athena, a Massachusetts Institute of Technology program that is attempting to link several types of local area networks. Ethernets are limited to about one kilometer (0.62 miles) of wiring — if they are any larger the individual computers cannot tell whether a collision has taken place.

Moreover, just because a machine is hooked to an Ethernet does not mean it can communicate: Computers must also send "protocols," or communications signals, understandable to all computers in the network.

The alternative — and one that most analysts expect International Business Machines to embrace in the near future — is called a "token passing ring." As the name implies, computers would be organized in a circle, and a "token" — much like the baton in a relay race — would be passed from one machine to the next. Any machine in the network can put a message on the token before handing it off — provided a message is not already attached — to be read by a computer that also understands the same protocols.

Because the token moves in one direction around the ring, there are no collisions.

IBM has already made public technical papers on the technology, developed in the company's laboratories in Switzerland and now being refined at Carnegie-Mellon University.

IBM last week introduced a low-cost "cluster system" — IBM spokesmen were careful not to label it a true network — capable of linking 64 IBM Personal Computers. Any computer in the network, even a 5600 PCjr home computer, can use files stored in one machine. But it cannot share printers or other peripheral equipment and the system is slow.

CURRENCY RATES

Late interbank rates on Feb. 23, excluding fees.

Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates of 4:00 pm EST.

S.	E.	D.M.	F.F.	I.U.	Gdr.	R.F.	S.F.	Yen
Swissfr.	4.291	117.91	36.60	0.322	5.51	132.25	212.65	123.0
Frankl.(a)	54.26	79.65	20.63	3.005	18.985	42.92	24.72	21.3
Frankl.(b)	2.6515	3.884	5.605	1.214	1.414	4.605	2.42	2.165
London (b)	1.643	3.779	7.11	2.62	2.62	7.44	3.74	3.165
Paris (a)	14.6155	24.23	51.83	2.018	54.23	30.264	73.41	7.644
New York(c)	1.44	2.62	8.17	1.444.09	2.995	54.715	2.182	22.025
Paris	8.205	11.97	30.38	4.9755	27.19	15.61	37.75	3.518*
Tokyo	23.25	33.84	57.54	2.387	77.74	23.19	70.08	—
Paris	2.1833	3.1714	8.23	26.25	8.328	72.08	40.19	0.9034*
ECU	0.8456	0.978	2.3407	0.8712	1.3893	2.322	4.6384	1.8455
SDR	1.8207	2.7709	2.6022	0.7235	2.7357	2.3025	2.4257	—

Dollar Values

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BUSINESS ROUNDUP

ICI Profit More Than Doubled in '83

By Bob Hagerty
International Herald Tribune

LONDON — Imperial Chemical Industries PLC, reporting Thursday that its profit more than doubled in 1983, promised that it would be more recession-resistant when the next downturn arrived.

Britain's biggest chemical company — whose interests also embrace pharmaceuticals, fibers, oil and paint — reported that its pre-tax profit totalled £619 million (\$904 million), up from £259 million in 1982. Sales grew 12 percent to £8.26 billion.

The profit fell short of analysts' forecasts, most of which ranged from £620 million to £660 million, and ICI shares slipped 16 pence to close on the London Stock Exchange at 586 pence. The shares, which were listed on the New York Stock Exchange last year, have slumped recently partly because of the general weakness on Wall Street.

John Harvey-Jones, ICI's chairman and chief executive, who called 1982's results "lousy," described the latest figures as "improving but could do better." He said a reasonable return on ICI's assets would be pretax profit of about £1 billion. Such a level

should be "achievable" within a few years, he said.

Although ICI raised in 1983 dividend by 5 pence, to 24 pence a share, Mr. Harvey-Jones said the company would have had to pay 34 pence to bring the dividend to its 1979 level after adjustment for inflation.

Nonetheless, ICI officials pointed to their success in slashing costs and reducing dependence on commodity chemicals and fibers, products whose sales slumped drastically during recessions. Instead, ICI has concentrated on building up higher-growth areas, notably pharmaceuticals and certain agricultural chemicals, that are less susceptible to economic downturns.

"People actually pop more heart pills during a recession," Mr. Harvey-Jones noted.

ICI officials estimated that 60 percent of the company's profit came from "relatively noncyclical areas" now, up from 40 percent four years ago.

Analysts agree that the next downturn is likely to be less severe.

Tim Stewart, an analyst at the brokerage of Zoete & Bevan, forecast that ICI's pretax profit would rise to £860 million this year and £1 billion in 1985 before slipping to £550 million in 1988. By contrast, when the most recent recession hit

in 1980, ICI's profit plunged 54 percent in one year.

In 1983, pharmaceuticals, led by two major heart-disease drugs and a cancer treatment, showed trading profit of £199 million, up 44 percent. For the first time, pharmaceuticals were the company's biggest source of profit, outscoring agriculture's £174 million.

ICI's 1983 loss on plastics and petrochemicals narrowed to £7 million from the year-earlier £139 million. In the second half, the division was in the black.

The indication that officials of Hong Kong's four stock exchanges, led by Ronald Li, chairman of the Far East Exchange, were actively trying to hold down the prices on new issues confirmed suspicions among market observers. Five previous issues had been heavily oversubscribed, and stock exchange authorities are thought to be worried that the market's recovery is fragile and could be undermined if an offering were poorly received by investors.

Elec & Elteck, which makes circuits and telephones, priced its offer of 90 million new shares and 22.5 million existing shares at 2 Hong Kong dollars each. Applications will run from Feb. 28 to March 2.

Mesa Begins Gulf Offer, Says Ban on Bid Denied

United Press International

AMARILLO, Texas — T. Boone Pickens Jr., chairman of Mesa Petroleum Co., said Thursday his investor group had begun its \$65-a-share tender offer for up to 13.5 million shares of Gulf Oil Corp., in a bid to gain control of the company.

Mr. Pickens also announced that a federal judge in Delaware Wednesday had denied a motion by Gulf for a temporary restraining order to prevent Mesa and the other investors from making the \$87.5-million cash offer. Mesa announced its intention to make the offer Wednesday.

Mesa said the purpose of the offer was to enhance its investor group's ability to win control of the nation's fifth largest oil company by proposing a slate of candidates for the Gulf board at the next shareholders' meeting.

Members of the Mesa-led investor group already own 21.7 million Gulf shares, or 13.2 percent of the company's total common stock outstanding. If the group acquires the additional 13.5 million shares targeted in its tender offer, its stake in Gulf would rise to 21.3 percent. Gulf stock closed Thursday on the New York Stock Exchange at \$64 a share, up \$.5625.

COMPANY NOTES

Bell Group Ltd., owned by Robert Holmes à Court, said its profit rose to 15 million Australian dollars (\$14 million) in the six months ended Dec. 31, 1983, from 5.2 million dollars a year earlier. Per-share earnings increased to 30 cents from 15.5 cents, while the interim dividend was unchanged at five cents, payable May 24 to shareholders of record May 11. Group volume rose slightly to 238.2 million dollars from 228.1 million.

BBC Brown, Boveri & Co., the Swiss specialist in electricity generation and transmission, reported that it has received two major orders for turbine equipment from the United States valued at a total of about 100 million Swiss francs (\$45.7 million). The orders were from Commonwealth Edison Co. of Chicago and the Sacramento Municipal Utility District in California.

Fiat SpA took 15.1 percent of the European car market, excluding Spain, in January, up from 13 percent in the like period of last year, company figures showed. January sales were 130,000, up from 107,000 in January 1983.

Inter-Continental Hotels, a subsidiary of Grand Metropolitan PLC, announced in New York that starting March 1 it will give the first 1,000 customers spending five nights at its new Houston hotel free round-trip air tickets to Europe via Pan American World Airways Inc.

Hanson Trust PLC said that British tax authorities have approved its debenture alternative to the 165-pence-a-share cash bid it has made for London Brick PLC.

Under the debenture alternative, he conglomerate offering 4-percent debentures convertible at 195 pence into Hanson shares beginning in 1988.

Kobe Steel Ltd. reported in Tokyo that it has won a 5-billion-yen (\$21.5-million) order from GoodYear Tire & Rubber Co. of the United States for about 130 machines for making radial tires.

Nippon Telegraph & Telephone Corp. announced that it has successfully test-manufactured a very large-scale integrated circuit semiconductor that can store one million bits, or one megabit, of information. It said the new product can

store four times more computer data than the largest capacity chip now on the market, a 256-kilobit chip of the dynamic random access memory type.

Philips of the Netherlands announced that its Philips Scientific & Industrial Equipment unit and Akashi Seisakusho Ltd. of Japan are studying the possibility of com-

bining their electron microscopy activities. The talks involve cooperation in research, development, manufacturing and marketing, it said.

Union Bank of Switzerland announced that it is raising its dividend to 11.2 francs (\$45.7) from 100 francs and plans a 1-for-20 rights issue.

NOTICE OF REDEMPTION

KUBOTA, LTD.

6 1/4% Convertible Debentures Due April 15, 1991

NOTICE IS HEREBY GIVEN to the Holders of the 6 1/4% Convertible Debentures Due April 15, 1991 (the "Debentures") of Kubota, Ltd., a Japanese corporation (the "Company") that pursuant to Article Eleven of the Indenture, dated as of February 1, 1976, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (the "Trustee") the Company has decided to redeem on April 15, 1984 all Debentures then outstanding in accordance with the provisions of the fourth paragraph of the reverse of the Fully Registered Debentures and the fifth paragraph of the Debentures.

As the Redemption Date, which is April 15, 1984, falls on Sunday, pursuant to the Section 113 of the Indenture, payment of the interest, principal and premium or conversion of the Debentures may be made on the next Business Day, which is April 16, 1984, with the same force and effect as if made on the Redemption Date.

The price at which the Debentures will be redeemed will be 102.50% of the principal amount thereof (the "Redemption Price") and will be U.S.\$1,025 per U.S.\$1,000 principal amount. In addition, the Company will pay to the holders of the Coupons due on April 15, 1984 the amount of such Coupons upon presentation and surrender of such Coupons in accordance with the provisions of the Debentures and the Coupons. Interest on Fully Registered Debentures will be paid in the usual manner.

The payment of the Redemption Price will be made on and after April 16, 1984 upon presentation and surrender of the Debentures together (in the case of Coupon Debentures) with all coupons appertaining thereto maturing after April 15, 1984 at any of the offices of the following Paying Agents:

Morgan Guaranty Trust Company of New York, New York
Morgan Guaranty Trust Company of New York, Brussels
Morgan Guaranty Trust Company of New York, Frankfurt/Main
Morgan Guaranty Trust Company of New York, London
Morgan Guaranty Trust Company of New York, Paris
Credito Romagnolo S.p.A. (Milano), Milan
Bank Mees & Hope N.V., Amsterdam

Kreditbank S.A. Luxembourg, Luxembourg

All payments will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts at the office specified above in New York City, or, at the option of the Holder, in like coin or currency, at the other offices specified above, by check drawn on, or transfer to a United States dollar account maintained by the payee with a bank in New York City, subject to any applicable fiscal and other laws and regulations, all in accordance with the provisions of the Debentures and the Coupons.

From and after April 15, 1984 interest on the Debentures will cease to accrue and the right to convert the Debentures into shares of Common Stock of the Company will terminate at the close of business on April 16, 1984.

The Debentureholders' attention is called to the fact that in accordance with the provisions of the third paragraph of the reverse of the Fully Registered Debentures and the fourth paragraph of the Coupon Debentures they may convert their Debentures into shares of the Common Stock of the Company having a par value of \$50 per share, or at the option of the holders, into American Depository Shares or European Depository Shares each representing 20 shares of such Common Stock at the conversion price (with the Debentures taken at their principal amount translated into Japanese yen at the rate of \$303 equals U.S.\$1) of \$326.40 per share. Each holder who wishes to convert his Debentures must deposit his Debentures, together (in the case of Coupon Debentures) with all unmatured coupons, (if a Fully Registered Debenture is presented for conversion after April 1, 1984, the Debenture must be accompanied and prior to the opening of business on April 15, 1984, the Debenture must be accompanied by a payment in an amount equal to the interest payable to the holder on April 15, 1984, with any of the offices of the Paying Agents specified above and otherwise complying with all other requisite formalities required for conversion before the close of business on April 16, 1984, accompanied by a written notice to convert, the form of which notice is available from any of the Paying Agents.

For the information of the Debentureholders, the reported closing prices of the shares of Common Stock of the Company on the Tokyo Stock Exchange during the period from February 1, 1984 to February 14, 1984 ranged from the high of ¥328 to the low of ¥318 per share. The reported closing price of such shares on the Tokyo Stock Exchange on February 14, 1984 was ¥318 per share.

KUBOTA, LTD.

Dated: February 17, 1984

Hong Kong Exchanges' Price-Setting

Authorities Intervene in Elec & Elteck Share Offering

By Dinah Lee
International Herald Tribune

HONG KONG — Elec & Elteck Co., a leading Hong Kong electronics company, said Thursday that it would raise 225 million Hong Kong dollars (\$28.3 million) through an offering of shares.

Brokers reported that the shares were already trading on an unofficial "when-issued" basis for more than 3 dollars. With such strong demand among investors for the shares, it appeared that Elec could have raised considerably more money from the offering had the price been higher.

A heavy oversubscription can provide the firms selling the shares with some short-term profits. The money put up by investors to buy the shares can be reinvested by the sellers in short-term financial instruments for the period between the closing of the offer and the actual awarding of the shares. In the case of a new issue, the interest goes to the company.

Francis Yuen, assistant director of Wardley's Ltd., underwriter for the issue, said the company and its bankers had argued for a higher price in meeting with stock exchange authorities to hold down the price of the stock.

Mr. Li, who was recently appointed chairman of a new federation of unified Hong Kong stock exchanges, acknowledged to the stock exchange authorities that he had asked for a price of 2.10 dollars a share, but that he had persuaded them to lower it to 2 dollars.

Mr. Li defended the exchanges' position noting the political uncertainty and market volatility that exist. He said the exchanges wanted to negotiate "a price that is likely to make the issue a success, which is more important than a price which will be 100 percent satisfying to all parties concerned."

Plan Is Set To Revamp Crown Agents

Beecham Group To Buy Italian Drug Company

International Herald Tribune

LONDON — The British drug and consumer-products giant Beecham Group PLC said Thursday that it had agreed to buy an Italian pharmaceutical company.

Beecham plans to pay 99.4 billion lire (\$60 million) for 82 percent of Dr. L. Zambeletti SpA. The British company said the acquisition would fill the only major gap in its worldwide marketing network.

Analysts praised the move. "This completes the jigsaw puzzle in Europe," said James Cook of Wood, Mackenzie & Co.

Zambeletti, the fifth-largest locally owned drug company in Italy, had 1982 sales of 90 billion lire and pretax profit of 25 billion lire. The 1983 figure was not yet audited, Beecham said, but are expected to show an increase.

Zambeletti derives about two-thirds of its sales from prescription medicines and the rest from consumer products, including cosmetics. The company's net tangible assets, including factories in Milan and Varese, had a book value of \$2.4 billion lire at the end of 1982.

Japan Restricts Sales Of 2 Ciba-Geigy Drugs

Reuters

BASEL, Switzerland — The Japanese Health and Welfare Ministry has banned over-the-counter sale of two anti-arthritis drugs, Butazolidin and Tanderil, produced by Ciba-Geigy AG, a company spokesman said Thursday.

Rental specifics differ from exchange to exchange. At the Board of Trade, a membership must be rented for a minimum period of six months and a maximum of three years.

The Crown Agents, set up more than 150 years ago to supply goods and services to British colonies, has suffered heavy losses in recent years. It provides procurement, money-management and other services to about 100 foreign governments.

In a major blow last summer, the government of Brunei, which has considerable oil income, ended its contract with the Crown Agents for money management, sharply reducing the agency's revenues.

The government said it had broadly accepted reorganization proposals made by the board of the Crown Agents. These include reducing the staff by one-fourth, to 900, and selling the agency's main London offices.

Timothy Raison, minister for overseas development, said the changes should return the Crown Agents to profitability by 1986.

A Swedish doctor alleged late last year that since Butazolidin was introduced 23 years ago and Tanderil 31 years ago, they have caused the death of 1,182 persons.

Whatever the length of someone's lease, there is no telling how long he will survive the tumult of the floor. The commodity pits are a back-knocked world that is not for the fainthearted. As the traders like to point out, no matter how big your bankroll, you can get "blown out" in one day. Any number of renters with six-month leases have been blown off the floor in a month or two.

Exchanges' Rental Programs Offer New Lease on Trading

(Continued from Page 11)

gather dried flower arrangements. She has been trading for nine months, and seems to have gotten the hang of it.

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This announcement appears as a matter of record only.



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First Interstate Officials Joining Kleinwort Unit

Kenneth S. McCormick, who recently resigned as senior vice president of First Interstate Bancorp and managing director of First Interstate Ltd., joined Kleinwort Benson Capital Markets in the United States.

Accompanying Mr. McCormick to Kleinwort Benson from First Interstate are Christopher Albright, Curtis M. Barry, Charles E. Bohlen Jr. and Judith W. Kent, First Inter-

AHP Plans Stock Repurchase

Reuters

NEW YORK — American Home Products Corp. said Thursday that its board has authorized the repurchase of up to five million shares of its common stock.

state Bancorp, with assets of \$44.4 billion, is the seventh-largest banking company in the United States. Its headquarters are in Los Angeles.

"Their knowledge of the West Coast capital markets and, in particular, their expertise in interest-rate swaps will complement our existing capital-markets operations in New York and elsewhere," Marvin Jacobson, a vice chairman of Kleinwort, Benson Ltd. and president of Kleinwort, Benson (North America) Corp., said of the team in a statement.

Kleinwort, Benson, Britain's largest merchant bank, has subsidiaries in the United States with offices in New York, Chicago and Los Angeles. Mr. McCormick, who



Ralph R. Zoellner

will be based in Los Angeles, will work with all the U.S. offices as well as those in London and Tokyo.

Other Appointments

McDonnell Douglas Corp. has appointed Ralph R. Zoellner vice president, Europe, responsible for marketing operations throughout Europe. Mr. Zoellner, who has been McDonnell Douglas's marketing director, Europe, since 1976, will take up his new responsibilities March 30, when Warren E. Kramer retires. Mr. Zoellner will be based in the London offices of the St. Louis-based aircraft maker.

Citicorp has appointed Ronald D. Corwin regional manager for all its individual bank businesses in Belgium, Luxembourg and the Netherlands. Mr. Corwin, based in Brussels, will continue to serve as the New York-based bank's country corporate officer for Belgium and Luxembourg. Succeeding Mr. Corwin as managing director of Famibank, Citicorp's Belgian consumer-bank subsidiary, is Albert Van Houtte. Mr. Van Houtte pre-

viously was a member of Famibank's policy committee, with responsibility for marketing.

Richard D. Mathews has been named exploration manager of Gulf Oil (Ireland) Ltd., a Dublin-based subsidiary of the U.S. oil and gas concern. He succeeds Robert K. Kirkbride, who retired. Mr. Mathews formerly was based in Lagos as exploration manager of Gulf Oil Co. (Nigeria) Ltd. Before that he was with Gulf in Pakistan as exploration manager.

Sir Douglas Wass, who was permanent secretary to the British Treasury from 1974 until last March, will be joining the accounting and consulting-services concern Coopers & Lybrand next Thursday. His primary role will be to launch and direct the firm's new economic strategy unit.

C.R.M. Kemball, a director of the London-based merchant bank Kleinwort, Benson Ltd., has been transferred to New York as executive vice president in charge of Kleinwort, Benson (North America) Corp.

Gill & Duffus group, a London-based commodity and insurance broking group, has appointed John S. Barnes deputy chief executive and said he will succeed R.E. Blackman when he retires on June 30 as chief executive. In addition, Winthrop A. Wyman has joined the group from Gulf Oil Corp. and has been appointed to the board, with responsibility for activities in the United States.

Mitsubishi Electric (U.K.) Ltd. London, has appointed Neville Reyner to the new post of director of sales operation for Britain and Ireland for the semiconductor division. He formerly was with Fairchild Camera & Instrument U.K. Ltd.

By BRENDA HAGERTY
in London

Kaufman Sees Sharp Rate Rise in '84

United Press International

NEW YORK — Interest rates will rise sharply later this year but a potentially weaker dollar threatens a "runaway inflation boom" that poses a greater danger to the financial markets, Henry Kaufman said Thursday.

Mr. Kaufman, Salomon Brothers' chief economist, said rates should approach 15 percent on long-term government bonds before peaking in the current cycle.

He predicted that "both short- and long-term interest rates will move up in nearly lockstep" while the economy "moves to a higher resource utilization, as inflationary pressures increase somewhat, and as the accompanying rise in private credit demands vies with the inherent requirements of the U.S. Treasury for the limited supply of genuine savings."

In remarks prepared for delivery to the Conference Board, Mr. Kaufman said potential dollar weakness may pose the greatest risk to financial markets.

"It is, of course, true, that the dollar's strength has restrained the economic expansion and pressured some basic industries," he said.

But, he continued, "how sustainable would the current recovery be if, in addition to the vigorous" inflation-adjusted growth during the past nine months, an additional 1 to 2 percentage points "were added by an improved trade balance that would result from a weaker dollar?"

"How much higher would the inflation rate be? Under such circumstances, we might well be close to a runaway boom," Mr. Kaufman said.

He said the "benefits of a robust dollar do not offset the risks inherent" in the large federal budget deficits and record trade deficits. "Hence, the necessity to provide adequate incentives to hold and at-

tract foreign investments in the United States."

Mr. Kaufman said that, although the immediate impact of a drop in the dollar's value would be to increase sales and profits, "the eventual consequences will be higher financing requirements and much higher interest rates."

A weaker dollar would not only

fuel inflation, it would encourage foreign selling of U.S. securities, thereby eliminating an important source of funds, he said.

"Large flows are involved," he said, noting that foreign holdings of U.S. financial assets exceed an estimated \$600 billion, "of which roughly 45 percent is liabilities reported by U.S. banks."

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COMPANY EARNINGS

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Britain

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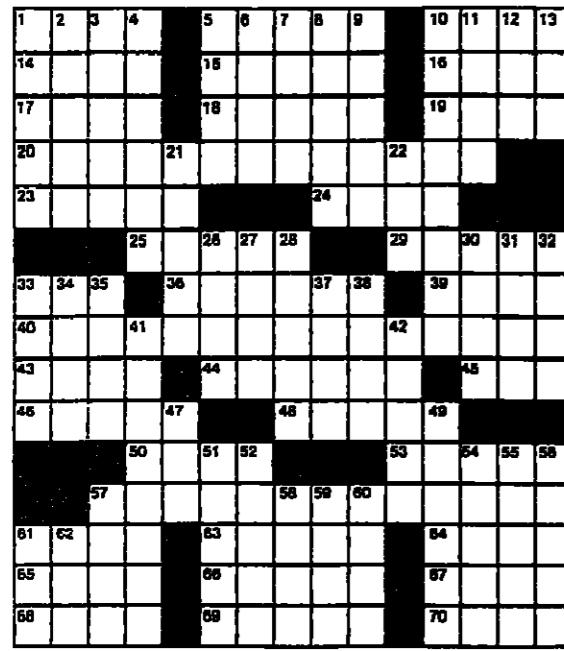
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ACROSS

- 1 Fibrous food
- 5 Speckle
- 10 Decree
- 14 Frost
- 15 Bucolic
- 16 Prefix with meter
- 17 Turkish tides
- 18 Set aside
- 19 Some stories
- 20 Light-lunch item
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- 50 Crushed underfoot
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47 Amendment backed by NOW

49 E.T. and friends

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53 Singer

55 Fell swoop

56 Detroit

57 Blockhead

58 Female wild buffalo

59 ...Central Park"

60 Draws for Connors

61 Unsound

62 I, to Claudius

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DENNIS THE MENACE



"I'M NOT SCARED OF NOTHIN'...BUT THAT WAS SOMETHIN'"

JUMBLE THAT SCRABLED WORD GAME
by Henri Arnold and Bob Lee

Unscramble these four Jumbles, each made to sound like four ordinary words.

NOUCE

YADIL

HUTORFI

YARPTS

Now unscramble the circled letters to form the surprise answer, suggested by the above cartoon.

Answer: THE

(Answers tomorrow)

Yesterday's Jumble: COUGH IRATE AUTUMN FIDDLE

Answer: What time is it when clothes wear out?—RAGTIME

(Answers tomorrow)

Today's Jumble: WHAT THEY CALLED THAT INTELLECTUAL HOBO.

(Answers tomorrow)

Today's Jumble: WHAT THEY CALLED THAT INTELLECTUAL HOBO.

(Answers tomorrow)

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OBSERVER**Just Flaking Away**

By Russell Baker

NEW YORK — Willard had eaten fish the night before and had a stiff neck when he awoke. He immediately thought of polio. He had read years ago that stiff neck was a symptom of polio.

Still, people didn't get polio anymore, did they? More likely it was arthritis attacking his neck vertebrae, the way it had attacked poor Rosenwald a few years ago. Willard recalled Rosenwald's account of the agonies and months spent in — what was it? Hot gelatin baths? Electrostatic traction?

Standing under the shower, Willard shuddered thoughts of the pain the future held. It wasn't until he was half shaved that he noticed the white spot on one fingernail. How long had it been there? Where had it come from? What was it trying to tell him?

He had heard of white spots on the interior of the throat but couldn't remember what disease caused them. "Diphtheria," he thought. He had never heard of diphtheria in the fingernails, but that was small comfort; every day the newspapers reported discoveries of new diseases which nobody had hitherto dreamed existed.

When dressed, he noticed it was raining outside. It was doubtless acid rain and he feared acid rain even though the government said it wasn't all that bad for you. He thought of all that acid falling into lakes, ponds, oceans and being eaten by fish, which were then eaten by people. Then he remembered the fish he had eaten at dinner last night.

"I never heard of acidosis," his wife said.

Willard had heard of acidosis. He remembered years ago, his small sister being taken to the doctor. The doctor said she had acidosis and ordered tomatoes cut out of her diet.

"We haven't had tomatoes for a week," his wife said.

During breakfast, Willard skinned the newspapers for bulletins about brain surgery. At the age of 9 he had fallen from a bicycle, hit his head on the pavement and been briefly unconscious. Thirty-five years later he remembered it vividly, because he had read somewhere that early-childhood head injuries could cause long festering of the

brain tissue and premature death.

Again this morning there was no good news. To the contrary, there was another item reporting that cardiologists were arguing about whether so much open-heart surgery was really necessary. Willard had asked his doctor about having open-heart surgery one day after a midnight bout of chest pains.

"You don't need open-heart surgery," the doctor had said after examining him. "Just stop eating fried seafood platters with horseradish sauce before you go to bed at night."

Nevertheless, Willard had liked knowing that open-heart surgery was available when the time came, and now that some cardiologists said it shouldn't be lightly undertaken. Willard was worried — worried that he might die under the ether during an operation that wasn't even necessary.

"They don't use ether anymore," his wife had said.

Her indifference had made it hard to talk to her.

Instead, he left for the office. At the bus stop a beautiful woman smiled at him. Her teeth were dazzling. They reminded Willard of his own teeth. Last month one of them had fractured in the left jaw and emitted a brief twinge of pain which seemed to originate deep in the jawbone.

Since then Willard had been anticipating a stroke. He had read somewhere that a sudden jolt of pain in the teeth was the first symptom of stroke. Or was it the first symptom of coronary thrombosis?

What difference did it make? On this crowded bus they would never get an ambulance in time to get him to the hospital. Willard wondered if his undershirt had a hole in it and, thinking of his upper torso, realized there was an itch under his shoulder blade. "Dry skin," he thought. "I'm probably flaking away."

He had once seen a 105-year-old man lying on a bed, and the man's wife had brushed her hand across her husband's forehead, stirred up a small cloud around his face and said, "Look, he's just flaking away." Willard was so terrified by the idea of flaking away that he didn't notice the stiffness was gone from his neck.

New York Times Service

The Transformation of Boy George

By Robert Hilburn

Los Angeles Times Service

LONDON — Boy George saw right away that his usual table wouldn't do. "It's much too noisy," he said. He led the waiter and the reporter to a more secluded corner of the restaurant.

He had shown up promptly at 1 P.M., and he was taking charge — as usual.

His sweet singing voice and daft, girlish image may make him look like an 1980s update of Tiny Tim. But Boy George is a quick-witted, strong-willed man who has been fending for himself since he stormed out of his parents' house six years ago at age 16, shortly after he was expelled from school.

"I'm terrible — a tyrant," he said, taking his seat at the table. "People say I'm famous now and I should be above everything. But that's not the way I am. If something annoys me, I react."

"When I go to a TV taping with the band [Culture Club] and the head媒人 only shakes my hand, I say, 'That's rude. Don't shake my hand if you're not going to shake theirs. The hell with you.' I get away with it because everyone says, 'Oh, that's just George. He is so eccentric.'

George was in full regalia last December when I met him in Burbank, California, as the guest of hostess Joan Rivers on the set of "The Tonight Show." He wore a pound of makeup and a colorful dress-smock made from a bedsheet.

But this time he was dressed down. He wore a pair of old corduroy pants under a plain top coat and just a touch of makeup. Still, no one in the restaurant had trouble recognizing this man described by one British pop writer as "the improbable mongrel offspring of a Geisha Mother Goose and a gay Rastafarian pastry chef."

Boy George used to open up more, those around him say, but he has been hurt by the frequent potshots in the British press. "I'm through with all the heart-to-hearts," he said. "The press here has no respect for your feelings, so why open yourself to abuse?" Elizabeth Taylor was in town recently, and she was all over the papers. But they didn't treat her with any consideration. It was as if she were this fat old cow."

And what is Boy George all about? "I can't answer that one. I don't think you ever know yourself. That's why I think most psychiatrists or analysts are a waste of time. All I know is I'm not like [David Bowie's] Ziggy Stardust. I haven't created a stage persona. I am what you see."

Why did he start dressing so outrageously? "I think it was a mixture of things. I had nothing when I was younger — no money, no future. I was always interested in celebrities. And I was desperate to become one. I was always a very logical person and I set certain goals for myself, but I also kind of fell into



Used Press International

Boy George in geisha regalia.

things by accident — like music. No matter what you may think, this isn't something I had planned, and it definitely isn't because of psychological or sexual problems."

Boy George has been speaking out (and dressing up) since his early teens. "I've always been headstrong. I can't help doing it. If someone annoys me, I react. Every so often, I need a good swear — a good violent moment.

The band's biggest hit is "Karma Chameleon." "It's about this terrible fear of alienation that people have; the fear of standing up for one thing. It's about trying to stick up for everybody. 'Oh yes, I agree with you.'

"What we're saying in the song is, if you aren't true, if you don't act like you feel that you get karma — justice. That's nature's way of paying you back."

If I tried to control that, I think I'd go crazy. Today the media circus was ruffing him. They're always trying to make out that I'm some type of fraud, he snapped. "by getting photos of me without my makeup or calling up claiming they have love letters I've written. That's ridiculous. For one thing, I'm too smart to write love letters. They're too incriminating."

Culture Club's official biography, "When Camerons Go Crazy," has photos of Boy George as a teen-age before the heavy makeup and in various punk and New Romantic "looks" and the text is a frank account, by fan-book standards, of his stormy family life.

Boy George D'owd was the third son in a working-class Irish Catholic family of six children. His father was a former soldier who worked in the building trade in south London.

"Having six kids, my father and mother didn't show any emotion at all towards me. And all the time, that's what I wanted. I was really dogmatic when I was a kid. I was awful. It wasn't until I left home that I started seeing their point of view. I'm trying to show kids that you can learn to share affection with someone once you thought you had nothing in common with. I'm not trying to say, 'Oh, look at my unhappy childhood.'"

After leaving home, Boy George worked as salesmen in clothing stores, with a stint in the makeup department of the Royal Shakespeare Company. His main passion, however, was hitting the clubs at night, rivaling his friends with lavish makeup and outrageous costumes.

He didn't think about joining a band until former Sex Pistols-manager Malcolm McLaren invited him to try out for Bow Wow Wow. Things didn't work out, but he then met a bassist, Michael Craig, and they formed Culture Club, with Jon Moss on drums and Roy Hay as guitarist. They began writing songs in 1981, and picked up a record deal soon after their first gig. The first two singles sold modestly in England, but the third — the richly melodic "Do You Really Want to Hurt Me?" — reached No. 1 here in late 1982.

In the United States, Culture Club became an even bigger hit. The group's debut album sold 1.3 million copies and produced three Top 10 singles — the most Top 10 singles from a debut LP since the Beatles. And the group's new album, "Color by Numbers," has already contributed two more Top 10 singles and sold more than 2.5 million copies.

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PEOPLE**Carson Money Settlement**

Johnsy Carson and his estranged wife, Joanne, have reached a settlement under which she will receive more than \$250,000 a year in support, a spokesman for Carson said. Mrs. Carson had asked a Los Angeles Superior Court to order the entertainer to pay her \$220,000 a month — or \$2.6 million a year.

Carson is host of the "Tonight Show," a popular late night talk and variety show on the NBC television network. The Carsons, who were married in September 1972, filed both petitions for divorce in March 1983.

Yasser Arafat, leader of the Palestine Liberation Organization, is in a hotly contested race with five other candidates to be rector of Glasgow University. Arafat wrote to the university's Palestine Action Group to accept its nomination and said he hoped to visit Scotland if elected to the ceremonial post.

Other candidates in the March 5 election include the novelist Jeffrey Archer, the comedian Rikki Fulton, Glasgow's lord provost, Michael Kelly, the Scottish Liberal Party member Menzies Campbell and the Scottish Republican Matt Lygate, recently released from prison after serving 12 years for armed robbery.

The post is honorary but rectors can preside over meetings of the governors if they choose to take an active role. The winner will replace the former newscaster Reginald Bosanquet, who was hardly ever seen on campus.

Diana, Princess of Wales, Thursday was named the world's most influential woman of fashion in the 1983-84 best dressed poll. The princess, 22, who is expecting her second child in September, was the overwhelming choice of the committee of 20 fashion editors, other style professionals, and people watchers, said Eleanor Lambert, the publicist who has steered the annual lists since 1940. Others on the list: Mrs. Umberto Agnelli, Turin, Italy, wife of a Fiat executive; Mrs. Sir Basil Ford, Fort Worth, Texas, socialite and philanthropist; the actress Linda Evans, "The Duchess of Feria," a former model now married to a Spanish duke; Princess Mitali of Jordan; Mrs. Charles Price, of Kansas City, Missouri, wife of the U.S. ambassador to Great Britain; Mrs. Beatrix Faehne, widow of an

enor Faehne, of the Bolivian tin enterprises; Mrs. Abraham Ribicoff, wife of the former senator from Connecticut; Diana Sawyer, television reporter and anchor on CBS; Mrs. Galen Weston, Toronto and Ascot, England, wife of the Canadian businessman, and Mrs. Thornton R. Wilson Jr., New York socialite, Arthur Ashe, the tennis star, led the list of 12 men selected as "best dressed" in 1983-84. Paloma Picasso, a jewelry designer and a daughter of the artist, was one of three women elevated to the best dressed Hall of Fame, along with Georgina Brando, associated with the House of Valentino in Italy, and Lena Horne, the actress-singer.

Yves Montand, for many years a loyal Communist sympathizer, is now one of their fiercest critics. Wednesday he broke new ground as the narrator and interviewer in "Vive la crise" (Long Live the Crisis), a 90-minute television special which used fictional news reports and punchy interviews to bring home the realities of the worldwide economic crisis. A special news flag announced emergency cuts in unemployment, medical and family benefits. The momentary alarm was promptly dissipated by the face of Montand, 62, telling viewers with a reassuring wink: "Don't worry, it's not true." The Communist party newspaper *Humanité* devoted a whole page to denouncing it, accusing Montand of betraying his origins and siding with the political right to defend his own wealth.

Sean Connery, who starred 2 agent 007 in the James Bond movies, Wednesday was named Harvard University's Hasty Pudding Club's Man of the Year. Connery was presented with a brass "Pudding Pot," a black-curry wine and a dartboard with a picture of 007 actor Roger Moore on it. "It's the first time I've come back with hair," he told the audience at the Hasty Pudding Theatre across the street from Harvard Yard. In his 1983 film "Never Say Never Again," Connery worked to cover his thinning hair. A club last week named comedian Joan Rivers Woman of the Year.

John Rivers Woman of the Year

John Rivers Woman of the Year